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The Nation's Business

New Wheat Conference Is Ill-advised

PREMIER BRACKEN has announced his intention to call a conference on problems of markets for and marketing of wheat and other agricultural products. These matters are of such great importance to Canada that useful ideas are to be welcomed. But there are several reasons for doubting whether Premier Bracken's conference proposal is well advised.

One reason is that the great mass of information collected by Mr. Justice Turgeon, and the conclusions he drew therefrom, are still only partly digested and only partly acted upon. To ignore or to repudiate that enquiry is to reduce to an absurdity a new probe, even before it starts.

Secondly, wheat marketing has become very much a national problem. Especially since the Dominion Treasury is likely to incur a loss of $50 millions on its programme this year, it is very much to the interest of western Canada to keep it a national matter. A western premier who tries to take it out of the national field and bring it into that of provincial government will not be doing good service to his own constituency.

Western premiers made a serious error of this nature when they gave their wheat guarantees in 1930. The consequences of that error were very harmful, and not the less so because they delayed for some years the assumption of national responsibility which later came about. Mr. Bracken's province suffered a serious financial loss, which is represented by a permanent addition to the province's funded debt.

* * *

IF THERE are dangers in treating wheat as a provincial instead of as a national problem, there are also dangers in dealing with it from the international, instead of from the national standpoint.

Mr. Bracken hopes to have his conference attended by individuals, who can hardly be called representatives, from other countries. Those from the United States may counsel this country to grow less wheat in order that their country may grow more, or in order that the Government programme for reducing wheat acreage in that country may be made more acceptable there. At all events persons with other national interests are hardly the ones to advise this country on how to hold the maximum possible business in a competitive world market.

The Dominion Government, through the Canadian Wheat Board, is now the actual or the prospective owner of all the wheat in the country, less only the quantities it has sold which are not yet shipped out. But neither the Dominion Government nor the Canadian Wheat Board should be expected to discuss that problem with a conference called by a provincial government. The Board is accountable to the Dominion Government and to it alone. It neither can nor should interrupt its work to answer to Mr. Bracken's conference.

* * *

Action Needed Instead of Talk

CANADA'S difficulties in marketing wheat and other agricultural products which are exported arise very largely from the political tension in Europe. Messrs. Stalin, Hitler and Mussolini might hold a conference which would largely solve our problems if they could be brought to consider them of first importance.

Next, our wheat problem is very largely due to an enormous and uneconomic expansion of wheat acreage in the United States, which has taken place since the previous wheat crisis which reached its culmination in 1932. Only the people of the United States can deal with that, and they are now attempting to do so.

In the third place, our difficulties arise in some respects from our own errors of the past. These, through the present methods of operation of the Canadian Wheat Board, the country is now endeavoring to correct. How well directed those efforts are, or how successful they will be, it will take some time to determine.

* * *

SOMETHING can be done, as Mr. Justice Turgeon recommended, to advance the marketing of Canadian wheat by directed promotion. It may have been because of the clouds on the international political horizon that immediate steps were not taken to follow up that idea.

But it should be followed up now. It needs no conference to deal with that matter. In fact another conference may delay, instead of promote, action. And it is action, instead of more talk, which is desirable.

For these reasons it is necessary to view Mr. Bracken's proposed conference not only with doubt, but with some apprehension.

* * *

Alberta Oil Voice Needed in England

FURTHER confirmation from England of the interest evinced there in Alberta oils by important financial and official groups has been received by The Financial Post. Important British interests are said to be somewhat impatient at their inability to secure authoritative information about the position

(Continued on page 2, col. 4)

Auto Makers Speed Output 1939 Models

Expect Most New Lines on Street Within a Month

BIG BODY CHANGES

Delayed by the recent European tension, Canadian automobile makers are now getting into full production on the 1939 models. A few cars are already on the street and within a month it is expected that all major lines will be in dealers' hands. There should be a complete exhibit for the National Motor Show which opens in Toronto on Nov. 26.

Big Body Changes

Although fundamental differences this season have been slight, body styling shows more change than for many years past. Several companies are turning out completely new bodies, with greater streamlining, especially of hitherto protruding, head and tail lights, horns, and trunks. Radiator grilles on the bulk of the new cars are following the inverted canoe design first featured last year. Corner coil springing has been more widely adopted and also some sort of a gas and oil saving overdrive for clear country highways.

Gear Shifts Off

The move to get gearshifts off the floor of the front compartment has been continued with several of the lower lines now having this on dash or steering wheel. It will come as standard equipment on many low and medium price models.

Inside will be found more refinement. Seat upholstery has been deepened and improved, hardware made more flush with dash or doors. There will be little change in size, as bodies and particularly the front seat, have already been greatly enlarged.

U. S. Lines First

Since the adoption of fall introduction of new models Canadian factories have usually lagged behind those of the parent United States companies in getting out their new cars. The reason, of course, is due to the respective size of the various factories plus certain differences between Canadian and U. S. models. Usually dies have to be imported from United States which means some delay and there is the further difficulty here of turning out three or four lines in one single plant.

In the old days when the new cars did not appear until late in the winter or early spring it did not matter as Canadian production would soon catch up to that of United States and our spring came later in any case. Now, however, when there is a rush to get models out in early fall they go on view just as soon as the first cars are off the assembly line. Indeed sometimes special hand assembled jobs are turned out for display purposes weeks before regular production starts.

Though some strike trouble has appeared in the Windsor area, manufacturers are not expecting any general trouble. They point out that the centre of the industry around Detroit has been fairly free from tie-ups of this kind and if anything had been intended it would probably have cropped up just as soon as full production started on the new models.

Good Prospects

In United States accumulation of advance orders and exceptionally good clear out of 1938 stocks is interpreted as definite indication of better times ahead for automobile makers. Factories across the line anticipate running full blast for sometime to take care of this deferred demand. In Canada makers are also optimistic though there has not been the same piling up of advance sales. Of course, the recent business depression was not nearly as severe in Canada as in United States and consequently there is less room here for quick recovery.

Reception of early models already in dealers' hands, however, is reported as satisfactory and in western Canada particularly, heavy sales are expected. Export demand, which normally takes 30% of Canadian production has been holding up well, running for the first eight months of the year only 15% behind a year ago.

Brewery Plants To be Extended

Two Canadian Breweries' Subsidiaries Planning Additions

Substantial building projects will be undertaken in the near future by two subsidiaries of Canadian Breweries Ltd., Toronto.

Through Chapman & Oxley, architects, O'Keefe's Brewing Co. is receiving tenders to Oct. 28 for construction of a five-story office building adjacent to its plant on the edge of Toronto's downtown district. Outlay for the building, which will have a stone exterior finish, will approximate $100,000. About $200,000 has already been spent on O'Keefe plant improvements this year.

Plans are being drafted and tenders will be called soon for a new addition to the Waterloo, Ont., plant of Carling Kuntz Breweries Ltd. The original plant was extended only last summer at a cost of about $150,000, and the further addition will cost about $125,000, including equipment.

The projects are initial undertakings of a programme of plant improvements and extensions which will involve total expenditure of about $500,000.

Who is Making Bren Probe A Political Trial?

Colonel the Honorable J. L. Ralston, appearing as Government counsel in the Bren Gun enquiry at Ottawa, last Thursday informed the Commissioner, Supreme Court Judge H. H. Davis, that "this is a political trial."

Taking exception to certain "strong opinions" expressed by the Commissioner, Colonel Ralston said:

"This is a political trial, as you know, Mr. Commissioner. You may not know it, Mr. Commissioner, but this is a political trial. It is being tried in the newspapers and by the public, and I do ask you, sir, under the circumstances, with great deference—and we all have to do it—to keep your mind open, and not express views which may be considered as closing the matter, when argument is still to be heard, and when evidence is still to be given."

Nothing to do With Politics

I. F. Hellmuth, K.C., representing Maclean's Magazine, said:

"I resent the statement by Mr. Ralston that this is a political trial. It has nothing to do with politics at all. An article appeared in Maclean's Magazine. That article caused the Prime Minister to direct an enquiry into the circumstances surrounding the making of this contract, and also with respect to other matters to which I need not refer now.

"I submit it is not in any way a political trial. It is not the result of a political question. It is a question as to whether this was a proper contract for the Department of National Defence to make and to recommend, and an examination of other questions. I resent any suggestion that I am appearing here in any way in a political capacity."

Editor's Comment

Interviewed by The Financial Post, H. Napier Moore, editor of Maclean's, made the following comment:

"Neither Maclean's Magazine nor, we believe, any member of the public will understand the words 'political trial' in any other way than the commonly accepted meaning.

"The article, 'Canada's Armament Mystery' which brought about the appointment of a Royal Commission to investigate the Bren Gun contract, was published by Maclean's because it believed it was performing a public duty, and for no other reason.

"Maclean's chose Colonel George A. Drew to write the article because he had been a regular contributor to its columns since 1928; because he had written frequently on the manufacture of armaments; because he had held the important judicial position of Master of the Supreme Court of Ontario, and also that of Ontario Securities Commissioner.

"Colonel Drew, in association with Maclean's, accepted the Prime Minister's suggestion that they assist the Commission in bringing out the facts, but declined the Government's offer to pay counsel fees.

"Maclean's is bearing the cost, and a very heavy cost, of its participation; bearing it as a public service.

"Maclean's vigorously resents any suggestion that it is guided by political motives.

"It is interested in learning that Colonel Ralston, former cabinet minister, regards the enquiry as a 'political trial.'

"Time and time again, Mr. Justice Davis has protested against the manner in which government counsel have submitted evidence; has protested against the 'cart being put before the horse;' protested against the excruciatingly slow method of procedure.

"Can the public be blamed if it forms a suspicion that the reason is to be found in Colonel Ralston's own words?"

Under the heading "Col. Ral-

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Outlook for C. P. R.

Viewed in Light of Changed Conditions

Prospects for Railway Seen Variable

By NORMAN A. WHITE
Staff Writer, The Financial Post

Ten years ago the ordinary shares of Canadian Pacific Railway were regarded as a prime investment medium. Today they are in disrepute with investors. During the current year they have sold at the lowest level in the company's history.

Until the depression Canadian Pacific had an impressive record of earnings and dividends. Dividends on the ordinary shares had been paid continuously from 1885. From 1911 to 1931 the C.P.R. paid 10% annually on its ordinary shares. Since April 1, 1932, no ordinary dividends have been paid.

To investors this impressive past performance is academic. They are not interested in its prosperous and romantic past, but rather in its future.

Wheat Crop Important

In attempting to look into the future it is natural to consider the short-term outlook first. The larger crop in western Canada was heralded as meaning better things for the C.P.R. It will, in fact, mean millions of dollars in additional revenue. Still, the immediate outlook cannot be considered as bright. Neither is it black.

A good wheat crop is of major importance to the C.P.R. Without a good wheat crop this year the outlook would be definitely black. As it is, the wheat crop is the C.P.R.'s ray of hope.

The C.P.R. is a national enterprise with extensive ramifications, but its prosperity is tied up with that of the prairie. If and as the farmers in western Canada prosper, so the C.P.R. will prosper.

Normally, the C.P.R. derives about 60% of its revenue from western Canada. This, of course, does not all come from wheat. In fact, the actual return in net earnings from wheat handlings is probably small, but the return traffic is of considerable value.

It has long been known a good wheat crop is of greater relative importance to the C.P.R. than to the C.N.R. Usually the privately-owned railway handles about 55% of the wheat shipments from western Canada. It can thus be seen that the crop failures of recent years, even aside from the decline in the income of the western farmer, has been a serious blow to the C.P.R. In 1937 it handled only 94 million bushels of grain, constituting only 39% of the 1925-30 average, and but 61% of the 1931-36 average.

Without doubt, grain handlings in the current year will be considerably in excess of 1937. At present it is impossible to estimate accurately what handlings for the year will amount to, but they will probably be somewhere near the 1936 total of 143 millions. This depends, of course, on what percentage of the crop moves before the end of the year.

Earnings Will Be Lower

Present prospects are that earnings of the C.P.R. in the current year will be lower than in 1937 despite the larger wheat crop. In the first eight months of the year net operating earnings were $6.2 millions below the same period last year. This decline will probably be reduced somewhat during the remaining four months of the year, but there is little prospect of the gap being completely bridged.

One may logically ask why C.P.R. earnings will not be as large as last year in view of the much larger wheat crop. The answer is the business recession in eastern Canada. Whereas increases in earnings were recorded in eastern Canada throughout most of 1937, the opposite has been true this year. In fact, the decline to date is entirely due to a smaller volume of traffic in the East. Earnings in western Canada are actually ahead of last year. Thus, the improvement noted in August and September gross revenues as a result of the wheat movement is much greater than is apparent. If revenues in eastern Canada were holding up to the 1937 level the reported increase for the entire system would be much larger.

Even if the decreases recorded to date are overcome and gross revenues for the year equal the 1937 figure, net earnings will be lower. As a result of restoration of wage rates to the predepression level it has not been possible to materially reduce expenses although there has been a smaller volume of traffic. During the first eight months gross revenues fell $6.2 millions or 6.82%, but operating expenses were reduced only $66,980, or 0.08%. Higher wage costs will continue as an adverse factor during the remainder of the year.

Another adverse factor in the matter of expenses was the failure to curtail outlays early in the year. Because of the prospective large crop in western Canada the C.P.R. made large expenditures early in the year in preparation for additional traffic. Actually, the traffic increase has not been as large as expected. As a result steps were recently taken to reduce expenses. The main shops are being closed for three weeks and

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Highlights of the Week

Food stocks reviewed—Pages 15 to 22.

Prospects for newsprint prices in 1939 are attracting much interest in investment circles. In a review of the situation John Langdon, eastern editor of The Financial Post finds that indications point to no change in policy.

View Strengthens—p. 8.

* * *

Training of personnel in Canadian business and industry has become an important feature of modern life. The apprenticeship system has the double advantage in that it weeds out the misfits while it trains the capable.

Drilling the Recruits—p. 12.

* * *

Favorable outlook of most stock market commentators as to future movements is coupled with counsel to investors to be selective in purchases and wait for adjustments permitting buying at advantageous prices. The gist of leading commentators' opinions is digested in—

Market opinions—p. 4.

* * *

Every cent change in the price of base metals means hundreds of thousands of dollars to Canadian base metal mines. The Financial Post tells the story in chart form, and analyzes the road ahead.

See article —p. 26.

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Laura Secord Split in Stock Seen Probable

Likely to Follow Purchase of President O'Connor's Holdings

$5 BONUS POSSIBLE

A syndicate composed of H. R. Bain & Co., Cochran, Murray & Co., H. B. Housser & Co., Moss, Lawson & Co., E. H. Pooler & Co. and Wood, Gundy & Co. has purchased Senator F. P. O'Connor's entire holdings of Laura Secord Candy Shops stock.

F. P. O'CONNOR

Senator O'Connor is president and chairman of the board of Laura Secord. It is understood that his holdings amounted to more than 30,000 shares out of the 57,500 shares authorized and outstanding.

Since the business was established in 1913 by Senator O'Connor it has been built up to a position of exceptional financial strength and at Sept. 30, 1937, had total assets of $2.2 millions.

Stock Split Probable

Although no official announcement has been made, it is believed that plans to split the stock and make a public offering can be expected in the near future. A five-for-one stock split has been suggested which would give the company 287,500 shares.

Such a move would seem quite logical. Although ranking for years as a prime investment, Laura Secord stock has been closely held and has not been actively traded although listed on both the Toronto Stock Exchange and the Montreal Curb Market. The comparatively high price—the stock closed at $74 a share on Oct. 18—and small number of shares held by the general public has limited the trading and investment possibilities of the company.

Higher Dividend and Bonus

If the stock is split on a five-for-one basis it is probable the new stock would be offered to the public at around $14.50 a share.

Another possibility reliably reported is that a $5 a share bonus will be paid on the present stock and that the new stock will be placed on what is the equivalent of a $4 annual dividend basis on the

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Shawinigan Earnings Up

Results in Third Quarter Better But Profits Down for Nine Months

From Our Own Correspondent

MONTREAL. — Despite lower gross revenue, Shawinigan Water & Power Co. was able to report larger net income before depreciation and income tax in the third quarter of 1938 than in the same period last year.

For the three months ended Sept. 30 the company had a gross revenue of $3,479,619, as against $3,546,571 in the same period in 1937. Operating expenses and water rentals were higher, but the amount expended on power purchased was lower, as was the outlay for taxes and insurance.

Net operating revenue was only $4,000 lower than last year and this is more than offset by a decline in fixed charges. Furthermore, no provision was made for amortization of bond premium, discount and expenses, this item having been entirely written off. In the third quarter of 1937 $39,785 was provided for amortization.

Comparative figures of earnings for the third quarter of 1938 and 1937 follow:

Three Months Ended Sept. 30	1938 $	1937 $
Gross revenue	3,479,619	3,546,571
Less expenses:		
General, oper. and maintenance	821,838	809,671
Power purchased	402,972	480,988
Water rentals	126,723	108,965
Taxes & insurance	226,143	250,956
Res. for exchange	6,000	6,000
Net oper. revenue	1,895,943	1,889,991
Fixed charges	949,436	958,111
Amort. of bond prem., disct. & expenses	......	39,785
Surplus before deprec. and income taxes	946,507	892,095

Cumulative returns for the first nine months of 1938 show gross revenue of $10,475,815, compared with $10,943,972 in the same period of

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Loblaw Sales, Profits Continue to Show Gain

Sales of Loblaw Groceterias Co. for the four weeks ended Sept. 17, 1938, were $1,617,966 compared with $1,521,511 in the corresponding period of 1937. For the 16 weeks ended on the same date total sales this year have been $6,461,464, almost $500,000 higher than the $5,943,613 reported last year.

Profits are also higher. For the four weeks ended Sept. 17, 1938, profits were $64,466 compared with $63,689 a year ago. For the 16 weeks this year profits have totalled $230,705, about $3,000 more than the $227,723 for the corresponding period of 1937.

Swiss Capital Favors Canadian Investment

Big Potential Market for Canadian Securities Found in Switzerland — International Nickel a Popular Issue With Investors

By FLOYD S. CHALMERS
Editor, The Financial Post

ZURICH.—Walking down Bahnhofstrasse, the main street of this commercial and financial capital of Switzerland, one passes many stately bank buildings. In the windows of each are the latest quotations (changed twice daily) of the world's leading stock exchanges—Zurich, Berlin, Paris, London and New York.

There are no "board rooms" in Zurich. But every merchant and small businessman is an investor. As likely as not he is a speculator in stocks. He may buy in the morning in Berlin or Zurich and sell in the afternoon in New York. Most of his trading is done through the banks. They dominate the investment and stock trading business. One big Zurich bank —not the largest—has 20 traders on the floor of the Zurich Boerse.

In the old days, the chief Canadian stock in Switzerland was Canadian Pacific. But long ago Swiss investors sold out of railway issues. C. P. R. is still quoted in the windows but fewer shares are held than when C. P. R. was Canada's premier security.

Nickel Favorite Issue

Today the leading Canadian issue in Switzerland is International Nickel. It is in high favor with all classes of investors and traders.

I lunched here with a wealthy banker. A friend tells me that this man is a "multi-millionaire in pounds sterling," which suggests to me a great deal of wealth. His largest single holding is in International Nickel although his investments span the world.

Swiss investors hold large investments in the United States. But they mistrust the "New Deal." They find President Roosevelt's moves unpredictable. That is one reason why they are buying "Nickel" shares and have had "Nickel" listed on their own exchange. They would like to switch more of their funds to Canada.

I met one man who is head of several investment trusts that have been organized to invest in different countries. He knows Canada well and has put about $16 millions of the funds of his trusts in Canada.

There is much Swiss capital awaiting investment in Canada. But outside of the organized investment trusts and a few of the better-informed men of wealth, the Swiss investor does not like to own a security that is not quoted in the various newspapers that seem to appear in the streets every hour or so. And as none of the banks list any Canadian securities other than C. P. R. and "Nickel" in their windows and none of the newspapers publish any Canadian quotations or economic advices, the average Swiss investor does not buy many Canadian issues.

A vast potential market for Canadian issues exists in Switzerland if

(Continued on page 13, col. 5)

Ignored Setup Of Inglis Stock

No Enquiry Into Share Holdings, Bren Probe Told

From Our Own Correspondent

OTTAWA.—The Department of National Defence failed to enquire into the stock holdings, the directors or shareholders of the John Inglis Co. before the signing of the Canadian Government contract for the manufacture of 7,000 Bren machine guns, according to the evidence of Deputy Minister L. R. Lafleche before the Royal Commission enquiry this week.

Cross examination of Gen. Lafleche by Col. George Drew this week has produced evidence to show:

1. That Dr. W. C. Clark, deputy minister of finance and member of the inter-departmental committee on arms contracts, declined to share responsibility for the way the Inglis firm was selected. He thought it inconceivable that the British War Office had been willing to deal only with the John Inglis Co., "a company that has been through receivership very recently." The minutes of the committee meetings pointed to Gen. Lafleche's statement that the War Office "would not countenance taking the matter up with any other firm."

2. That Major James E. Hahn, president of the John Inglis Co., and Hugh Plaxton, M.P., for Toronto-Trinity, had had dinner with Gen. Lafleche on the night that the inter - departmental committee finally passed the Bren gun contract to Cabinet. Gen. Lafleche, described it as a chance meeting.

3. That Gen. Lafleche, in asking that the High Commissioner at London institute negotiations with the War Office, had described Major Hahn as "associated with a reliable group which controls certain manufacturing plants"; but had known the name of only one of these associates.

Commissioner Objects

The cross-examination also evoked from Commissioner H. H. Davis the declaration that he was not going to hear further reference by the witness to the John Inglis Co. being the one source of supply for the Bren gun in Canada.

"It's getting on my nerves," he exclaimed.

Col. J. L. Ralston, Government counsel, protested on the ground that when all the evidence was in it would be the contention in argument that there was only one source of supply for the Bren gun.

Col. Drew questioned Gen. Lafleche on the interest shown by Hugh Plaxton in the Bren gun contract after he had introduced Major Hahn

(Continued on page 2, col. 4)

Fraser Reports Moderate Gain

From Our Own Correspondent

MONTREAL.—Somewhat better demand for pulp is being experienced by Fraser Companies and the Edmundston mill is operating slightly better than four days a week. For some time past this unit was working on a three- to four-day shift. There has been no material change in price, but sales are tending upward.

No particular change has occurred in the position of other departments. Lumber operations continue quiet, while the paper mill reports a fairly satisfactory volume of business.

Gas Proration Now Effective

All Absorption Plants Stay Open — Output Curtailed

From Our Own Correspondent

CALGARY.—The long announced plan of the Alberta Conservation Board for proration of gas wells is, generally speaking, now in effect.

All absorption plants are remaining open. Royalite No. 1 plant is operating at less than 25% capacity and is obtaining its gas supply from gas and naphtha wells. Since the gas goes on from Royalite 1 to supply the city of Calgary, there is no waste here.

Royalite No. 2 plant is operating on gas obtained from crude wells. Part of the gas, after it has been stripped of gasoline, is being used to fire boilers for drilling of Royalite wells.

The British American's absorption plant is remaining open, but operating at only about 33% capacity. Most of its gas comes from the crude wells. Gas from this source goes on to supply Little Chicago and Little New York and to fire boilers of wells drilling in that area.

As a result of this gas conservation programme, the flares from these three plants are now like candle flames.

The gas well proration order affects about 100 gas wells. These are being allowed to produce about 12% of their capacity or their previous flow.

B. C. Business Sees Threat In Gasoline Price Control

From Our Own Correspondent

VANCOUVER.—Business interests here see in the Provincial Government's decision to fix gasoline prices a serious threat to private industry and possibly the forerunner of bureaucratic invasion of many other branches of production and distribution.

This tendency is clearly demonstrated by the attitude toward the oil business in defiance of protests that even under present price schedules only a slim margin of profit has been shown. Last year, according to oil companies doing business in this province, there was an actual overall deficit of more than $700,000.

Those in touch with financial markets fear that the Government's present programme, if persisted in, may lead to impairment of British Columbia's opportunities as ground for industrial investment.

The Government has in the past made several excursions into the field of marketing control and price regulation. Until now it has confined itself to industries in which the chief interests from the British Columbia standpoint was represented by the producers, who went to the Government seeking a means of stabilizing chaotic markets.

The fruit growers of the Okanagan, for instance, were largely instrumental in bringing about the Natural Products Marketing Act which had as one of its purposes the maintenance of reasonable prices.

But the Government's proposal arbitrarily to fix gasoline prices is a much more revolutionary step. It represents direct interference with private industry without that industry's request or consent.

Opposed to the Government's programme are all the major oil companies doing business in British Columbia.

B. A. Oil Year Compares Well With '37 Level

Position of U. S. Holdings Improves Although Proration Cuts Production

$1 MILLION RETURNED

Operations of British American Oil continue on a satisfactory scale this year. In fact it appears that sales of gasoline and oil have held up surprisingly well in view of the decline in general business activity and particularly the substantial drop in tourist traffic this summer.

What this is going to mean to earnings will not be known for some time. Last year B. A. Oil set a new high record for sales in Canada, gaining considerably more than the 15% average the industry's total sales rose. This resulted in $1.30 a share for B. A. Oil from Canadian operations. In view of general conditions, however, it would seem unlikely this level will be exceeded in 1938. The cut in gasoline prices just announced in eastern Canada may reduce earnings somewhat. But this is largely covered by lower crude prices and comes at the tail end of the season.

Outside of the new Calgary refinery no extensive building or improvements have been undertaken this year. Around the beginning of 1938, work was started on increasing the capacity of the Montreal refinery from 12,000 barrels daily to 16,000 barrels and this has been completed.

In Calgary, preliminary work on the new 4,500 barrel refinery is well under way. Details with regard to the site and plans have been completed and some actual work started.

(Continued on page 4, col. 4)

Distillers Corp. Profits Hold

Earnings Equivalent to $3.75 per Common Share

From Our Own Correspondent

MONTREAL.—As expected, the annual report of Distillers Corp.-Seagrams Ltd. shows only a small reduction in net profit, earnings being equivalent to $3.75 a share on the common stock. This compares with $3.95 a share in 1936-37.

Net profit for the year amounted to $7,313,504, a reduction of only $120,754. However, a full year's dividend was paid on the preferred stock compared with three quarterly payments in the previous year. As a result the amount available for common dividends was $336,145 lower. Had an additional amount not been required for preferred dividends, common share earnings would have been $3.87 a share.

Cost of goods sold was lower, but income account shows increases in executive salaries, legal fees, loss on capital assets disposed and provision for loss on investments. These increases are also partly offset by lower interest charges and the fact that $775,293 had to be provided for flood losses last year.

Has Strong Position

The balance sheet shows further improvement in the company's strong financial position. Working capital was reduced during the year by about $2.5 millions to $41.9 millions. This reduction, however, is more than offset by payment of $7.5 millions of non-current bank loans. The latter have been reduced from $12.5 millions to $5 millions.

Cash on hand is $3.8 millions lower at $1.5 million. Accounts receivable are shown at $8.6 millions, a decline of about $700,000. Inventories are up $2.2 millions to $41 millions.

Current notes payable to banks stand at $3.9 millions, compared with $2.1 millions a year ago. Accounts payable are $1.9 million lower at slightly over $2 millions. Provision for taxes is shown at $3.1 millions, compared with $2.5 millions last year.

Capital Outlay of $912,828

Net capital expenditures during the year amounted to $912,828. These expenditures were made for installation of modern equipment and additional plant facilities, the completion of building at Louisville, and the erection of a maturing warehouse at Baltimore. To provide in part for modernizing plant equipment it was found necessary to make changes that resulted in a loss of $477,729 on the disposal of capital assets. The depreciated value of plant and equipment is shown at $13.3 millions.

Trademarks, rights and goodwill were increased during the year by $180,661, mainly as a result of the cost of the trade name and goodwill of Carstairs Bros. Distilling Co. Inc. Trademarks, rights and goodwill are carried in the balance sheet at $10,710,238.

During the year Distillers Corp.

(Continued on page 14, col. 6)

Can. & Dom. Sugar May Pay Regular $1.50 Dividend

An extra dividend of 25 cents a share has been declared payable Nov. 1 on the new common stock of Canada & Dominion Sugar.

A dividend of 37½ cents a share has been declared payable Dec. 1, 1938, on the new stock. It is believed that this payment inaugurates a policy of paying a regular dividend of $1.50 a share annually, eliminating the extra payments that the company has made in the past.

The stock was split 3-for-1 in Aug., 1938. Regular rate on the old stock was $1.50 annually, plus extra dividends.

This move would suggest that earnings have been well maintained in the present year.

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from the
Men's Shop

Have the style and casual distinction that is typical of Men's Shop attire. Two popularly priced lines of suits and overcoats in a remarkable choice of new patterns and fabrics for Fall and Winter. Sizes 37 to 44. All these fabrics are wool.

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Budget Plan Terms may be arranged if desired.

FREE PARKING WHILE SHOPPING

MEN'S SHOP
BAY STREET SECTION

EATON'S-COLLEGE STREET

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New Books • • • •

THE FAR EAST. An International Survey. By Harold F. Quigley and George Blakeslee. Published by the World Peace Foundation, Boston, Mass. Paper edition, price 75 cents; Cloth edition, price $2.50.

THE WORLD COURT—1928-1938. A handbook of the permanent court of international justice. By Manley O. Hudson. Published by the World Peace Foundation, Boston, Mass. Paper edition, price 75 cents; Cloth edition, price $2.50.

Avoiding the history of the present undeclared war in China, Dr. Quigley has done the work of condensing and revising a somewhat similar study published by the Foundation in 1929 under the title "The Pacific Area," an international survey. In addition he has added the description and analysis of the international relations of the Far East from 1929 to July, 1937.

The bulk of the volume deals with the crowded events of the post-1929 period. It is, therefore, virtually a new volume with a different emphasis and scope from the area work. Its emphasis is placed on China's attempt to defend its sovereignty and its territory against the constant aggression of Japan. The book is especially valuable as far as a background to the present struggle.

The World Court handbook is the fifth edition revised and brought up to date as of March 1, 1938.

It is a standard textbook on the functions and operation of the court. Its chief editorial comment is condensed in one paragraph, namely:

"Deeply indebted in the world's treaty law, the court is now firmly established. In 16 years it has more than justified the expectations of its founders. Nor is its influence confined to the cases which are submitted to it, for the very fact of its existence facilitates the direct settlement of many disputes."

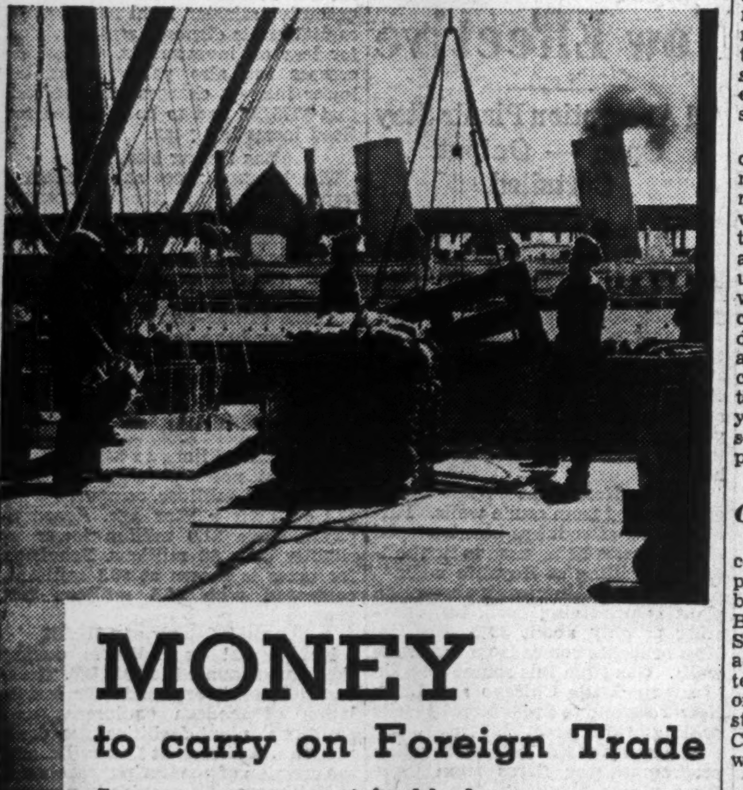
WE PLANNED IT THAT WAY. By Frank Knox. Published by Longmans, Green and Co., Toronto. Price 60 cents.

Through 80 small pages Colonel Knox, noted American newspaper publisher takes a searching look at New Deal policies in the United States. He puts responsibility for what has happened clearly on the shoulders of one man—Franklin D. Roosevelt. He aims to prove, by quoting chapter and verse, that fundamentals are still unchanged, but that Mr. Roosevelt has changed since the day some six years ago when he started out by appealing "to the best that was in all of us." "Today," says Colonel Knox, "the New Deal now uses us to support the worst that is in politics.

"When we hired Mr. Roosevelt five years ago," says Colonel Knox, "he purported to be the sort of guide we needed to get us out of the wilderness of depression. He showed us a road map on which directions were carefully marked. We hired him. The trouble is instead of following the map the guide started to take a lot of short cuts." The costliness of these short cuts shown by the fact that at the end of his second term Mr. Roosevelt will have spent the colossal sum of $65 billions of which $25 billions will be his legacy of debt to the business interests and to the people of the nation.

Mr. Knox believes there are but two roads down which a dollar can travel. "It can travel the road to productive enterprise; or it can travel the road to government bureaucracy." Very shortly, believes Colonel Knox, American people will have to make up their minds which road they want their dollars to travel. So much power has been vested in one man that the "maintenance of traditional American form of democratic government," is at stake.

The book is as thought-provoking for Canadian readers as it is for U. S. citizens.



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Rackets

Lack of Resistance

One of the greatest assets of racketeers, particularly the petty type who prey on businessmen for donations, subscriptions and advertising for enterprises of dubious status, is the willingness of businessmen to dispose of the appeals by making contributions as requested. An astonishing number of otherwise cautious and competent businessmen apparently preferred to pay out money to chisellers and imposters, rather than take the time and trouble to check up on the standing of the solicitors and the validity of the enterprises they purport to represent.

A good example of this was discovery by the Toronto Better Business Bureau that 40 or 50 of its own members were among those with advertisements in an obscure publication ostensibly issued several weeks ago. To date the Bureau has been unable to learn how many copies were printed, how or to whom such copies were distributed (if at all), or disposition of funds collected for advertising and "donations." No one connected with the publication held the identification card of the Bureau, yet few members victimized by the scheme took the trouble even to telephone the Bureau for a report.

• • •

Counterfeit Stock

Warning that counterfeit stock certificates of the Texas Gulf Sulphur Co. are being circulated has been issued by the National Better Business Bureau in the United States, and passed along to Canadian investors by the Toronto Better Business Bureau. In the course of the year, imitations of this firm's stock have shown up in Detroit and Chicago and in the territory farther west.

In advising how the forgeries can be detected, the bulletin of the Toronto bureau points out that genuine stock carries a vignette consisting of two female figures with a derrick, sulphur plant and vat, and a railroad train in the background, whereas the counterfeit certificates carry an eagle vignette. The forged stock is signed by "W. H. Albright, President," and countersigned by "H. F. Knoblock, Treasurer"; the correct name of the company's head is W. H. Aldridge and the treasurer is H. F. J. Knobloch. Genuine certificates for 100 shares or less are not signed by the president or treasurer.

Canada Foundries and Forgings—Volume of business for the year to date, while off from last year, is reported to be ahead of the 1936 volume.

The Nation's Business

(Continued from page 1)

and future of the Alberta crude oil industry.

Canada House, for instance, is understood to have heard months ago that the Alberta oil interests were sending a responsible spokesman. No such spokesman has yet been sent.

It would seem elementary wisdom for Canadian oil men to take advantage of current British interest and to get their spokesman to London at once.

The young crude oil industry in Canada has already suffered because of unbalanced talk. Promotional ballyhoo is not what the industry needs. The facts are good enough to stand by themselves.

• • •

Transport Act Should Control Lake Rates

WHEN the Transport Bill, passed at the last session of Parliament, was first drafted in 1937, the intention was to bring all lakeborne traffic under rate regulation. Resistance to regulation was so strong that bulk commodities, the most important of which is grain, were excluded before the bill assumed its final shape.

It seems to have been largely forgotten, in the controversies at the time, that lake rates on grain were already subject to some measure of regulation. The Board of Grain Commissioners by an Act of 1923 had been given the power, and also the duty, of imposing maximum rates on grain, when it should seem to them that such action ought to be taken.

Recent exercise by the Grain Commissioners of that power, for the second time since the Act was passed, may very properly lead to a revision of opinion and of law. Jurisdiction over lake rates should be concentrated in one regulating body. This obviously should be the Transport Commission.

This implies no criticism of the action of the Board of Grain Commissioners, which merely carried out a function imposed on it by law.

• • •

IN CRITICISM of the Board's action, the argument was advanced, unsoundly, it seems to The Financial Post, that because lake carriers had suffered, as they undoubtedly did for a considerable period, from ruinously low freight rates, they were entitled to recoup themselves by correspondingly high rates when the opportunity offered.

Rate regulation in the public interest can rest on no such principle, and a rate, otherwise unreasonably high, is not made reasonable by the prior existence of a rate unreasonably low.

Despite the acknowledged difficulties of satisfactorily regulating water rates, in comparison with the simplicity of regulating rail rates, a proper course is to protect the public interest by seeing that rates are neither unreasonably high nor unreasonably low.

It is completely fallacious, of course, to assume, as is often done, that fluctuations in lake rates on grain reflect themselves automatically in grain prices recorded at Winnipeg. Low lake rates are likely to mean higher ocean rates on grain from Atlantic ports, and high lake rates may be compensated for by lower ocean rates. Moreover, prices in Liverpool are just as susceptible, and perhaps more so, to changes in total transportation costs, as are prices in Winnipeg.

• • •

THE principle of rate regulation of public utilities is now so widely accepted, and so generally embodied in law, that it may properly be extended completely to lake freights, including grain and other bulk commodities, as well as the package freight already covered in the Transport Act.

The vast public expenditure on waterways, navigation, canals and docks, the protection extended to Canadian vessels by the coastline navigation laws, the national interest in maintaining efficient and economical water transportation, even outside of general commercial considerations, make lake transportation a public utility properly subject to complete regulation. The Transport Commission is equipped to exercise that regulation as the Board of Grain Commissioners cannot possibly be.

Recent events may serve to bring about a concurrence of opinion on the part of lake carriers, of the grain trade, and of producers in the West, that the Transport Act can properly be amended in accordance with the original plan.

Ignored Inglis Stock Set-up

(Continued from page 1)

to the Deputy Minister on Oct. 9, 1936. The witness said Mr. Plaxton had seen him during the fall of 1937 and had been anxious to know how things were going with the Bren negotiations. It happened hundreds of times, he said, that a member of Parliament took an interest in a contract which would benefit his riding.

Col. Drew: "Did you ever find a member going to England out of interest in his riding?"

Gen. Lafleche: "I don't recall any at the moment."

Effect of Policy

Gen. Lafleche said the policy of the Canadian Government had made it inevitable that both Canadian and British Government should deal with one private manufacturer if there was to be a saving in cost.

This policy, he said, had been stated to him by the Minister of National Defence, Hon. Ian Mackenzie, at the Imperial Conference of 1937. It had been in effect that Canadian Government was not to manufacture armaments nor act as a purchasing agent for the British War Office.

In regard to his recommendation of Hahn, Gen. Lafleche said:

"It had been explained to me that Major Hahn was opening the Inglis plant and that he would have certain worth-while people with him . . . I did know that Hahn was the leading figure in the whole thing; that he had a controlling interest."

Col Drew: "How did you know?"

Gen. Lafleche: "I was told so by himself and Mr. Plaxton."

Manufacturing Experience

The Deputy Minister admitted that he knew of no previous steel precision work in the Inglis Co. plant which would qualify it for the manufacture of Bren guns, but that Major Hahn, he knew, had experience in the manufacture of radios and refrigerators.

Col. Drew: You suggest that the manufacture of radios and refrigerators is an excellent qualification?"

Gen. Lafleche: "An excellent qualification."

Major Hahn had told him in December, 1936, Gen. Lafleche testified, that it would be possible for him (Hahn) to finance the entire manufacture of the Bren gun as the result of arrangements made with the Bank of Montreal. He said he had had an assurance from Major Hahn that he was going into the company as his main effort and that he intended to retain control.

Margin For Inglis Co.

Commissioner Davis expressed interest in a mention in the minutes of the inter-departmental committee of a suggestion, that if competitive tenders were decided on, other tenderers should be informed that a margin would be allowed the Inglis Co. for the cost of the preliminary work it had done.

"I am quite sure I did not advance that suggestion," Gen. Lafleche assured His Lordship.

Pressure on London

Commissioner Davis during the probe has drawn attention frequently to what he described as the "pressure" put by the Minister of National Defence and the Deputy Minister on the British War Office. This pressure, according to His Lordship, was indicated by the correspondence during the summer of 1937 and later.

On June 8, 1937, Gen. LaFleche wrote Sir Harold Brown, stressing the immediate need of the Canadian army for 7,000 guns. The letter added:

"Should an assurance be given that at least 5,000 guns would be ordered by, say, the Government of the United Kingdom, the Department of National Defence would immediately recommend entering the final stages of our negotiations with Major Hahn."

The letter bore the notation "Shown to the Hon. the Minister before despatch."

Conflict in Views

Commissioner Davis said the letter spoke for itself. It was pressing the British Government to place an order for 5,000 guns. Yet, he recalled, a letter from External Affairs Department in April stated that Prime Minister Mackenzie King had not considered it advisable at that time to press the British Government to place munition orders of this type.

On Sept. 30, some time after his return to Canada, Gen. LaFleche had written Hon. Vincent Massey, Canadian High Commissioner at London:

"The only possible solution is to have them (Bren guns) made in Canada. If the War Office were to place an order with the Canadian manufacturers at the same time we do the Government of the United Kingdom would have an auxiliary source of supply."

A letter on Oct. 21 and a cable on Nov. 3 both urged on Mr. Massey the advisability of getting an early decision from the British War Office.

On Nov. 9 the following wireless message was received by the Department of National Defence from Sir Harold Brown:

"British Government has approved negotiations as to second source of supply of Bren guns in Canada. Present proposed expenditure involved to British Government is not regarded favorably but War Office is ready to negotiate for purchase of 5,000 Bren guns manufactured by John Inglis subject to some substantial reduction in cost."

Picked Supply Source

This promised order, Gen. LaFleche testified, made the John Inglis Co. "the sole source of supply for the Bren gun in Canada."

Sir Harold's cable was confirmed by a letter dated Nov. 11, in which he recalled Gen. LaFleche's statement in the summer that there were "political difficulties" in the way of the War Office buying the guns through the agency of the Canadian Government. He added:

"The difficulties involved in placing of contracts by both the Canadian and British Governments with the John Inglis Co. are so considerable that I should be very glad if this aspect of the matter could be reconsidered."

The same matter was urged in a later cable from the British War Office and brought the following reply:

"National Defence states that position of Canadian Government was made very clear at Imperial Conference, in that Government, while welcoming complementary orders for supplies from British Government would prefer British Government to deal direct with Canadian contractors. This would not tend in any way to prejudice relationship between two governments. At same time co-operation of British Government in regard to complementary orders would be greatly appreciated."

Model Contract Provided

Meanwhile on Nov. 3 Gen. La Fleche had written Major Hahn enclosing a draft agreement "which might be adapted for use in your case." It did not, Gen. La Fleche explained, deal with weapons but contained general principles which would have to be dealt with.

"You will understand," the letter added: "that the department does not make the proposal, but if the enclosed suggestions were to come from you as a proposal to the department, I have every reason to believe that it would be possible to come to a very early decision in the matter."

The first meeting of the interdepartmental committee to discuss the Bren contract was held on Jan. 5, 1938. The minutes of this meeting were changed later on the suggestion of one of the members, Dr. W. C. Clark, deputy minister of finance, to add the fact that some members of the committee felt that if a representative of the Inglis Co. went to the War Office for an order he should not be in a position to say:

"The Canadian Government is ready and willing to enter into a contract in the present form for 7,000 guns."

Other Tenders Wanted

As disclosed in earlier evidence the interdepartmental committee had asked that a cable be sent to the War Office to ascertain the British attitude on calling for tenders on the contract from a selected number of firms. On Feb. 4 a cable from London contained the following message from Sir Harold Brown to Gen. La Fleche:

"Your telegram Feb. 1 data required is being collected and will be forwarded. Must emphasize that any further delay may adversely affect the proposal. In this connection firm having done necessary technical investigation obviously has advantage."

On Feb. 14, Col. Loggie, Canadian ordnance officer in London telephoned Gen. La Fleche and the deputy minister put the call on record in a memorandum produced as evidence. Col. Loggie had reported that Sir Harold Brown was mailing a letter explaining the necessity of the Canadian Government assuming a somewhat greater portion of the cost of initial equipment.

At the end of the memorandum Gen. La Fleche had noted: "Col. Loggie reported that the War Office officials were quite determined to push the matter of placing an order for 5,000 Bren guns with John Inglis Co."

Laura Secord Stock Split Seen

(Continued from page 1)

present stock, or 80 cents a share if the reported five-for-one split is accepted.

For the past nine years, regular dividends of $3 a share have been paid on this stock and earnings have consistently covered this dividend by a good margin. Although no official word has been obtained as to what earnings are likely to be for the year which ended Sept. 30, 1938, it is known that sales have been up and it would not be too much to expect that close to $4 a share will be reported against $3.71 a share in the previous year.

The company's annual report will probably be available in about 10 days. Shareholders will also receive official details of any changes in the company's capital structure that are planned.

A further point in favor of increasing the dividend payment is the company's exceptional financial strength which would permit it to pay out practically all of its earnings and still have plenty of funds for any expansion that might be contemplated. At the end of last September, the company's balance sheet showed government and other bonds at $1.6 million, having a market value of $1.8 million. Cash on hand was $154,964 and total current liabilities only $59,189. Goodwill was carried at $1 and total fixed assets, after depreciation, at $258,054. Earned surplus was $1.2 million.

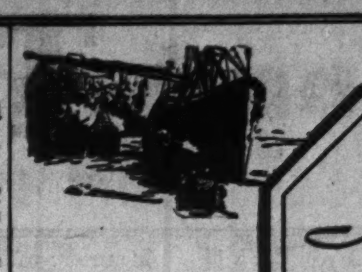
Management to Continue

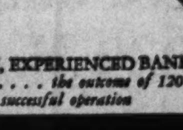
Perhaps one of the strongest points in favor of Laura Secord and the formerly closely related company, Fanny Farmer Candy Shops, operating in the United States, has been confidence in its management. Although Senator O'Connor has already severed his connections with Fanny Farmer and now is selling all of his holdings of Laura Secord stock, it is not believed that management of the company is going to change to any extent. This is something that has not yet been officially settled but it is quite possible that the two companies will again become closely connected from the management standpoint and in any event quite unlikely that present officials will be replaced except as is necessary to fill Senator O'Connor's position as president. It will be recalled that in last June John D. Hayes resigned as vice-president of Laura Secord to assume the presidency of Fanny Farmer.

Expansion Possible

Plans of the new interests for Laura Secord have not been announced as yet but it would seem reasonable to look for somewhat the same aggressive programme that is being carried out by much the same group in Fanny Farmer. It is possible that the field for expansion in Canada is not as great as in the United States but Laura Secord has been carrying on an agency business in its candies for some time and finding this profitable.

Another possibility that has been rumored is that Laura Secord and Fanny Farmer, either together or one or the other singly, has plans for entering the market in Great Britain with their products. Whether or not this is done they have at least the financial resources to carry out such a move. It is interesting in this connection to recall the success that W. Garfield Weston achieved in a similar move a few years ago.





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Bren Gun Probe Evidence Shows Sequence of Events

From Our Own Correspondent

OTTAWA.—Evidence to date before the Bren gun enquiry has indicated the following sequence of events leading up to the signing of the Canadian and British contracts with the John Inglis Co. of Toronto for supply of 12,000 guns:

Introduction of Major J. E. Hahn, now head of the Inglis firm, by Hugh Plaxton, M.P., in Oct., 1936, to Maj. Gen. L. R. La Fleche, deputy defence minister.

Trip by Major Hahn to England to investigate Bren gun manufacture and his introduction to War Office as representative of the Canadian Government.

Report by Major Hahn to Hon. Ian Mackenzie, Minister of Defence (December, 1936), and suggestion of War Office interest in placing contract for 5,000 guns with Inglis Co. in Canada. Canadian requirements had already been set at 7,000 guns.

Pressure by Canadian Defence Department to get British War Office to decide on gun contract in Canada.

Cabinet decision (April, 1937) opposing such pressure.

Second trip of Major Hahn to England and subsequent departure of Gen. La Fleche and Hon. Ian Mackenzie to attend Imperial Conference.

Conferences in London with War Office officials by Major Hahn and Gen. La Fleche.

Correspondence between War Office and Canadian Defence Department during summer and fall of 1937 culminating in advice in November that War Office was ready "to negotiate" with Inglis Co.

Meetings of interdepartmental committee to study contract, January to March, 1938.

Cable sent to War Office at instigation of committee to ascertain whether War Office would consider dealing with other firms or calling for tenders. (Feb. 1, 1938.)

Cable sent same day by Gen. La Fleche stating Defence Department attitude that contract with Inglis Co. should be pushed through and that Hahn should proceed immediately to England for purpose of accelerating British contract.

Cable from War Office opposing delay in contract and suggesting that Inglis Co. was the best firm to carry out the contract.

Canadian contract with John Inglis Co. approved by cabinet March 22, 1938.

British contract with John Inglis Co. signed July, 1938.

BROULAN LISTED

Shares of Broulan Porcupine were called for trading on Oct. 17. Listing covers 3,000,000 shares of which 2,094,005 are outstanding. Options are outstanding to Haras Corp. as follows: 200,000 shares at 60 cents to Feb. 1, 200,000 shares at 65 cents by April 1, and 400,000 shares at 80 cents to June 1, 1939. Subject to exercise of options and provision of funds to bring property into production, a bonus of 100,000 shares will be given. Equipment has been ordered for the sinking of a three-compartment shaft to 500 ft. for exploration of indicated ore body.

Easy Washing Co. — Business of the company has improved substantially during September, and directors will consider the matter of the preferred dividend deferred on Oct. 1, some time later in the month. Arrears at Oct. 1, 1938, totalled 70 cents on the $10 par value preferred stock.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Ford Hotel	6%	1947	Nov. 1	101
Prov. Paper, A .	†5½%	1952	Nov. 1	100½
Riordon Pulp ...	‡6%	1942	Dec. 31	105

For sinking fund purposes: †$449,500. ‡$85,900.

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Drummondville R. C. Sch. Comm.	Oct.	Hanson Bros. Inc.	3½%	1939-63	$50,000	97.59	3.71%
La Tuque, P.Q.	Oct.	Credit, Anglo-Francais	4½%	1939-48	$31,500	98.56	.....
Owen Sound, Ont.	Oct.	Bank of Montreal	3½%	10 & 15 ins.	75,000	103.25	3.02%
Dominion—							
Canada Treasury Bills	Oct.		....	Jan. 13, '39	30,000,000	99.814	.747%
Provincial—							
Nova Scotia	Oct.	Wood Gundy & Co. and Syndicate	3½%	1950	4,567,000	*100	3½%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Uchi Gold Mines (With bonus of 25 shares capital stock for each $100 par value of bonds).	Oct.		6%	1941	$1,000,000	100	.....

DUFF COOPER

London Calling

by Atticus

Tempers Frayed in Munich Agreement Debate But Healing Balm of Humor Plays its Part

LONDON.—After four days debate on the uneasy peace of Europe I feel comforted by the thought that in a democracy argument is more important than agreement. As long as men can raise their voices in the senate or the public square and say what is in their minds then the freedom of the soul still exists. At Westminster last week there was such a torrent of oratory, good and bad, that the mind of the nation's legislators must have been nearly emptied. At any rate if that seems a little harsh let us agree that the debate cleansed our bosoms of much perilous stuff.

There were many extraordinary scenes. Tempers were frayed but as usual the healing balm of humor played its part. When the old Mother of Parliament ceases to laugh then civilization can put up the shutters.

The incident between Mr. A. V. Alexander and Sir Thomas Inskip was one of the highlights. I like A. V. Alexander immensely, even if in debate he subscribes to Cowper's dictum that a noisy man is always right. Sir Thomas, who was in rare form, was having a sharp interchange with Mr. Alexander, who was very angry indeed. From both sides of the House the supporters of the two protagonists were hurling defiance and counter-defiance.

"When the Right Honorable gentleman," thundered Mr. Alexander, "can point to I or my friends—"

"Me!" cried the Government supporters in chorus.

The famous co-optimist of the Labor party shook his head angrily. "When the Right Honorable gentleman," he cried, "can point to I or—"

"ME!" insisted the Government pack gleefully.

Mr. Alexander blushed and then bowed to the inexorable. "When the Right Honorable gentleman," he said quietly, "can point to me or my friends—"

The Conservatives nodded approvingly. Grammar had been satisfied and all was well.

* * *

Chamberlain, Churchill

Another incident which pleased the House was the exchange of courtesies between Mr. Chamberlain and Mr. Churchill on Thursday afternoon, following the angry scene of the morning. It will be remembered that at noon on Thursday when the House was discussing whether or not Parliament should reassemble in 10 days time, Mr. Churchill attacked the Prime Minister for disregarding the opinion of the House and placing too much power in the hands of an inner cabinet. Further he charged that there was a dangerous tendency of ministers to be glad when the House rose so that they could get on with their business. It did not seem to me that Mr. Churchill was being purposely offensive and he was obviously startled and very angry when the Prime Minister turned on him and said: "Really it is unworthy of my Right Honorable friend on this occasion!" When Mr. Churchill protested Mr. Chamberlain flushed with resentment and said: "A repetition of tittle-tattle about the way in which Cabinet business is conducted is not doing justice to the sincerity and to the sense of responsibility of Cabinet Ministers."

This denunciation was loudly approved by Mr. Chamberlain's stalwarts and once again the descendant of Marlborough had to listen to his party's sustained disapproval. In any other walk of life one would say that the incident had created an unbridgeable gulf between the two men.

But almost exactly three hours later, when Mr. Chamberlain was winding up the debate, he had to refer to a point in the previous day's speech of Mr. Churchill. Using the mumbo jumbo of debate he remarked: "I cannot agree with my Right Honorable friend—" He paused and with a broad smile turned to Mr. Churchill, "If I may still call him so."

Mr. Churchill, whose magnanimity is as great as his powers of mischief, half rose to his feet.

"If I am not unworthy," he murmured, inclining his head.

Small incidents perhaps to record against the hurricane of world events but I wonder if there was ever a time when laughter and tolerance were so badly needed in the world?

* * *

Mr. Duff Cooper

The most human incident of the week of course was the farewell speech of Mr. Duff Cooper. He spoke from the corner seat as Sir Samuel Hoare and Mr. Eden when, as resigning Foreign Secretaries, they made their explanations and farewells. Mr. Duff Cooper was obviously in a condition of considerable emotional tension. Perhaps it was the very strength of that emotion which made him speak more eloquently than the occasion demanded. After all, as a writer he is no mean stylist and he clothed his renunciation with many telling phrases and colorful juxtaposition of words. Even so he retained his meticulous attitude toward men and things. For instance he spoke of King Louis XIV as if the word were pronounced in the same way as that of Joe Louis the American boxer or Sinclair Lewis the American author. It was as if he were a foreign office diplomat of the 18th century refusing to concede so much as an "s" to a foreign pronunciation.

A strange man this obstinate, brave and honest servant of the State. I suspect him of having an open contempt for humanity and a secret love for it. Previous to his resignation speech he had always seemed emotionally bottled up. We felt in other days when he spoke from the front bench that here was one who was not warmed and chilled by the same summer and winter as other men. Yet on Tuesday, when he described his loneliness in the cheering crowd outside Downing Street, we sensed that the icy reserve which shielded him from normal contact with humanity had made him no stranger to loneliness in the past. His speech covered so much ground that it almost became a manifesto to the nation. However, it was manly, courageous and human. The icicle had at last melted.

* * *

Ministerial Journalists

To show that Parliament is not the only place where feuds can be forgotten it is interesting to note that Duff Cooper is going to write a weekly article for Lord Beaverbrook's evening newspaper. It will be recalled that when the Empire Free Traders fought the St. George's by-election on the cry of "Down with Baldwin!" Mr. Duff Cooper galloped into the lists as the official Conservative candidate and made the issue: "Down with newspaper dictatorship!"

Siegfried's dragon did not breathe more fire and fury than did Duff Cooper on that occasion. Now he is to find his spiritual home in the tents of his enemy.

At this point I think I am in order in pointing out an interesting development in our national life. With the acquisition of Duff Cooper to their ranks there are now four men having held high ministerial posts who will be writing articles for the press of the world criticizing British Government policy. I refer to Mr. Lloyd George, Mr. Churchill, Mr. Eden and now, Mr. Duff Cooper.

I am not questioning the right of ex-ministers to make their living in any way that is best suited to their capacities. But in the case of the first three I have mentioned their foreign circulation is very large. Since we can hardly expect other nations to follow too closely who is in and out of office at Westminster they constantly read the critical writings of famous British political figures and form their impressions of British foreign policy accordingly. The home market does not matter. It is good to have every point of view discussed by ourselves. But I think the question of foreign reaction should engage the Government's attention.

At the present moment ministers are not allowed to write for publication. In other words the Government's case in the outer Empire and among foreign nations very often goes by default. In France the same thing applies. We read articles by M. Flandin and M. Blum, but M. Daladier cannot write until he is out of office. I commend this problem to the Government.

* * *

Earl Baldwin

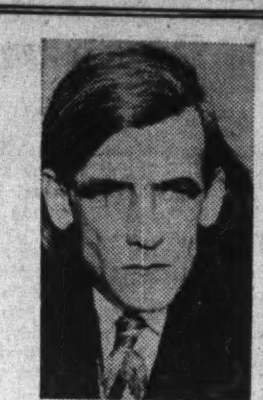
A number of the faithful journeyed from the Commons to the Lords to hear Earl Baldwin's maiden speech. Any suggestion that the acoustics of that austere place are bad was completely destroyed by the rich fruity Baldwinian tones that hunted out every nook and corner. There is no voice in either House to compare with it. The former Premier was accompanied by the faithful Viscount (J.C.C.) Davidson, the two of them looking rather like a robust Don Quixote and a comfortable Sancho Panza whose wanderings had ended in unexpected territory.

Earl Baldwin paid the noble Lords the compliment of making a House of Commons speech. His listeners responded by cheering more loudly than is their wont although the demonstration at no time outdistanced decorum. When Lord Lytton on the following day regretted that he could not match his own eloquence against that of Lord Baldwin one felt that he was almost unconsciously saying to the House: "But don't you think that my style is more fitting for this assembly?" Needless to add that Lord Baldwin's references to Mr. Chamberlain were completely generous and appreciative. I was delighted to see that his mind was as vigorous as ever and his style just as unusual but it was sad to notice how he had to lean upon a stick. One still recalls with a certain nostalgia how he used to swing in to his place in the Commons as if it were the end of a 10-mile walk.

* * *

Leaders in Debate

Looking back on those four eventful days it is interesting to contrast how the principal protagonists went to their tasks. Mr. Attlee is a good Parliamentarian but it is hard to imagine him ever carrying a fiery cross. He becomes annoyed instead of being moved to a supreme fury. One feels that he would cut Herr Hitler if he met him at an intellectual tea party. Sir John Simon bleached his copy book—or whatever the opposite is to blotting it. In a speech of perfectly marshalled arguments he turned the Commons into a vast court of appeal and won the verdict and the cheers of his fellow judges. It was the best speech he has made in this Parliament.



JAMES MAXTON

The most moving effort of all was from James Maxton, who has a heart incapable of hatred. His picture of Mr. Chamberlain as the spokesman of the common people of all nations was beautifully and sincerely done.

Anthony Eden was in vigorous form and spoke skilfully and effectively. To my ingenuous ears it seemed that there was nothing in what he said that would prevent his serving under Mr. Chamberlain in the next reshuffling of the Cabinet. Others held the opposite view and when the vote was taken Eden was among the mutineers who abstained.

Sir Stafford Cripps once more demonstrated that he is the best speaker on the other side and gave the impression that he would not mind being Minister of War in a Socialist administration. Dr. Burgin was better than he seemed. Unlike Sir John Simon he did not give the impression that the very gods on Olympus were holding back the lightning for his words. Sir Samuel Hoare spoke like the second-in-command of the regiment, loyal to his colonel but ready for any eventuality.

Two memories will remain indelibly:

The unhappy little group of government supporters remaining in their seats while the rest of us surged past them to the lobbies.

The Prime Minister, motionless, choosing his words with the most intense sincerity and saying:

"I cannot help feeling that if, after all, war had come upon us, the people of this country would have lost their spiritual faith altogether. As it turned out I believe we have all seen something like a spiritual revival."

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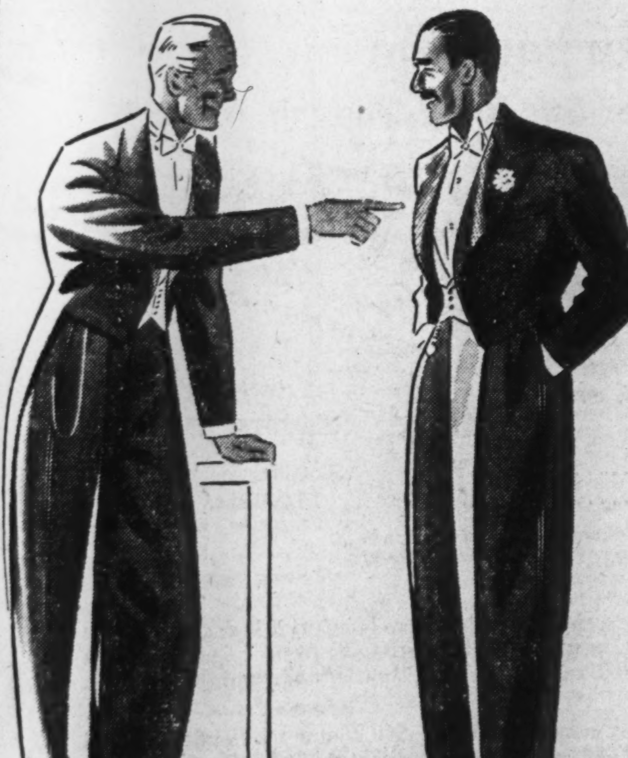

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Saint John Cargo Tonnage Well Ahead of Last Year

From Our Own Correspondent

MONTREAL. — Cargo tonnage passing through the Port of Saint John in September totalled 101,267, made up of 46,674 tons of inward freight and 54,595 tons of outward freight. For the same month last year, 53,858 tons moved inward and 36,633 tons outward, or a total of 90,491 tons.

For the first nine months of 1938, Saint John handled 1,141,298 tons of cargo, as against 1,467,597 tons for the same period of 1937. The import movement this year amounted to 523,645 tons, as against 581,827 tons a year ago. The export movement, on the other hand, increased from 885,770 tons in 1937 to 1,017,653 tons this year.

West Kootenay Power To Raise Kootenay Level

From Our Own Correspondent

MONTREAL. — West Kootenay Power and Light Co's application to store water in Kootenay Lake by lifting its level six feet has been granted by the International Joint Commission.

Granting of the application included certain revisions designed to safeguard the interests of Idaho farmers who feared lifting the lake level would damage their holdings by floods.

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WEST OF ENGLAND

Acadia Coal Closes Up Mine

Abandons Thorburn Mine But Keeps Other Units in Operation

From Our Own Correspondent

MONTREAL.—Acadia Coal Co.'s Thorburn Mine was closed down over the past week when the last coal-carrying freighter of the season sailed from Pictou. This action was forecast last month after it was "apparent that unless some radical change for the better could be made, cash resources would soon be exhausted and all the mines would have to be closed down, throwing some 1,500 men out of employment."

Closing of the Thorburn mine was "a necessary step in an endeavor to secure the cotinuation of operations at the Allan, Albion and No. 7 collieries, Acadia's other Pictou Co. collieries."

Concessions to Miners

Concessions will be given by the company to the 166 miners who have been thrown out of work by the shut-down. Deeding over of company houses at Thorburn to miners now living in them and cancellation of miners' back debts for rent and coal are promised.

Company officials estimate that the miners' back debts totalled about $10,000.

After the official closing the mine will be made available for operation by employees for about 11 working days or for a total production of approximately 1,700 tons. During that time necessary power and equipment will be provided the miners. The coal will be divided among the employees and they will have 10 days to remove it from company property. Cost to the company of hoisting this coal will be about $1,500.

Preference will be given to Thorburn miners when employing new men at Acadia's other properties, according to H. J. Kelley, vice-president of Dominion Steel and Coal Corp., which controls Acadia Coal Co.

Aluminum Co. of Canada Calls Part of Debentures

From Our Own Correspondent

MONTREAL.—Registered holders of the Aluminum Co. of Canada debentures have been advised that the company will redeem on November 10 next, $1,500,000 principal amount out of a total of $12,500,000 issued.

These debentures were issued as of April 1, 1937, and were taken up privately by a group of leading insurance companies. This redemption is an entirely optional one on the part of the company since the fixed sinking fund does not begin to operate until April 1, 1940.

Southern Canada Builds New Line

Extension of System Reported to Take Care of New Demands in Area

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co. has constructed a new power line from Sutton to Abercorn, connecting the latter town to the company's network, according to a progress report issued to the shareholders. Service also has been extended from St. Hyacinthe to St. Thomas d'Aquin. Numerous short extensions have been made in various municipalities, supplying service to new customers. A programme of reinforcing the growing distribution systems has been followed and all plants have been well maintained. Additional protection against lightning has been installed at selected points on the 13,200 volt transmission line serving Bedford and towns in that vicinity.

Reporting on new industries, the company states that while United States firms continue to show active interest, any definite action is withheld because of unsettled conditions in world affairs as well as at home. Nevertheless industry in the company's territory continues to expand production and, in a number of cases, has increased manufacturing facilities. At Richmond the New Knit Hosiery Mills are building an extension to their plant. At St. Johns, the Silex Company has acquired additional floor space, while the Nordic Hosiery Co., at Granby, have installed additional machinery. A new industry, the Marieville Paper Box Co. has been established at Marieville.

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Canadian Pacific Shops To Close for Three Weeks

From Our Own Correspondent

MONTREAL.—As part of the recently announced economy move the main shops of the Canadian Pacific Railway are to be shut down for three weeks commencing Oct. 24.

About 13,000 employees are affected by the shut-down.

Symington and Daly C. N. R. Term is Extended

From Our Own Correspondent

MONTREAL.—Herbert J. Symington, of Montreal, and Brenton L. Daly, Winnipeg, have been reappointed directors of the Canadian National Railway Co. for another term to expire September 30, 1941.

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Easier-writing than even its own smooth-flowing predecessors, the new Royal Typewriter assures accurate, lively, rhythmic response to your typist's fingers. The Royal Free Desk Test enables you to prove its superiority right in your own office—handling your own routine work!

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GOEBBELS SAYS BIG CZECH PLOT
Investigation is Denied; No Need Declares Premier
Day's News

R. M. ANDERSON

President of Anderson's Limited, is one of the best known and progressive business men in Western Ontario. Anderson's Limited have enjoyed for over half a century a most enviable place in the business life of St. Thomas and district.

Only the Local Daily features local news— for local readers

Only the Local Daily can feature your advertising in the same way— for local buyers

"The Local Daily is by far the most effective" says R. M. ANDERSON

"Our experience of fifty years and more in retail department store merchandising, shows that newspaper advertising is by far the most effective advertising a retail merchant can use.

Over 90% of our large annual advertising appropriation has been for newspaper display, much the largest allotment for advertising in our local daily, The Times, and on amalgamation, The Times-Journal, which we have used for over forty years without a single omission.

Our experience also shows that the best results from *national advertising* is obtained from our local paper, The Times-Journal."

R. M. Anderson

Mr. Anderson's experience is similar to the scores of retailers advertising in the

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Brockville Recorder and Times
Galt Reporter
Kingston Whig-Standard
Kitchener Record
Niagara Falls Review
Oshawa Times
Owen Sound Sun Times
Peterborough Examiner
St. Catharines Standard
St. Thomas Times-Journal
Sarnia Canadian Observer
Stratford Beacon-Herald
Timmins Press
Welland-Port Colborne Tribune
Woodstock Sentinel-Review

Investment Trends

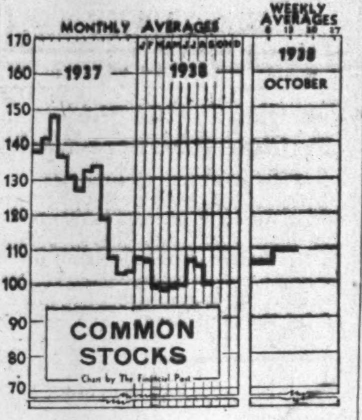
Comparatively Strong Stock Markets Continue

Chances of Some Reaction Should Not Be Ignored But Might Provide Buying Opportunities— New 1938 Highs Common

Stocks have not done much in the past week to change opinion ventured a week ago that the outlook was good but that the pace would slow up and a reaction might be expected. The reaction that many expected has not yet arrived nor has the upward move been able to carry on with its old vigor.

Thus either of these happenings could still take place following orthodox stock market movements. On neither Toronto nor Montreal stock exchanges have the industrial indexes been able to push through the levels that marked the top of the rise of last June and July with any decisive moves. The level around 126.90 for the Toronto Stock Exchange industrial index seems to mark a point where resistance to the rise is strong enough to slow up the market. In London the stock exchange industrial index has reacted several points from the levels reached in the war-scare recovery. New York, on the other hand, has been able to establish new highs decisively. Thus the picture of stock market performances is mixed.

Individual Canadian stocks, however, have reached new 1938 high levels. Included in this select group are Walker common, Ford A, Laura Secord, Distillers-Seagrams and others. Laura Secord has been unusually strong on rumors of a stock split and bonus. The leading liquor stocks may be moving in response to the beginning of the season of greatest sales volume. Walker's preliminary report is due at any time and is expected to show earnings a little under last year's $8.29 a share.



* * *

Favorable and Otherwise

If general business conditions justified the rise that has taken place recently, then there is no evidence of anything to change the picture. In the United States some disturbance may be felt on account of the continued cuts in prices for various steel products, in crude oil and gasoline prices and in some recurrence of labor troubles, particularly in the automobile industry. Then there are also the prospects of the election in November, although this seems to be giving rise to less disturbance than sometimes happens.

In Canada some factors that might influence general investor attitude should be the steady upward move of railway earnings. September figures for power load of Ontario Hydro show good increases, and the Niagara system, serving the industrial centre of the province, makes a better showing than for some months. Production of 1939 automobile models is getting under way and apparently manufacturers are planning schedules for production at or above 1938 levels. These few items may not be all inclusive, but they give important indications that industrial conditions are comparatively favorable.

* * *

Car Stocks

The period of the year is close now when speculation becomes common as to whether or not Canadian railroads are going to order new equipment and how much. So far no indication of any answer to this question has been given. If financial considerations alone set the answer, it would hardly be favorable to railroad equipment makers. But other things enter into the picture.

The Canadian railroads have hardly rebuilt their rolling stock to levels that could efficiently handle any large increase in traffic. Both roads are getting along — quite nicely too—on considerably less rolling stock than would have been thought essential in the 1920's. But still the chances are that orders will be placed for a certain number of cars and perhaps locomotives, and, if so, stocks of Canadian Car, National Steel Car, Canadian Locomotive and others will become more interesting to the investor.

* * *

Food Stocks

In this issue The Financial Post presents its annual review of companies that are engaged in the many phases of the preparation and distribution of foods in Canada. This covers a wide field. It ranges from baking firms and dairies to chain stores, meat packers and flour millers. This large group of companies operate under varied conditions. Some of the outstanding investment stocks in Canada are included with dividend records that are hard to excel.

But on the whole food stocks have not as much to commend them to the investor as the essential character of their services should indicate. Indeed it may be this very essential character and the close relations that many of them have to maintain with the public that account for the discriminatory taxation that the chain stores, for example, feel in so many centres.

Outside of this phase of taxation, the question of prices seems to be the great question mark for food stocks. A price war has been rampant among chains in Ontario for over a year. Packers were hit by falling prices last year. It was wheat prices that handicapped the millers. Sugar refiners did not escape.

But if the price trend has been against these companies for the past year, it is not going to be this way always. Sooner or later they are going to benefit from an upward movement of prices again. Profits will improve and then the investor will benefit. Food stocks will be more attractive investments.

* * *

Fortification Pros and Cons

Apparently the native wine industry in Canada is not exactly united in its support of the decision of the Department of National Revenue to allow makers of native wines to fortify their products to the extent of 40% proof spirits, as compared with the former alcoholic content permitted of 31.4%.

In support of this regulation announced two or three weeks ago, it is claimed that imported wines with a higher alcoholic content were providing too severe competition for the native wine-makers.

Those opposing the move claim that the Canadian wine industry has been built up on the basis of an improved quality of the product which generally had a low alcoholic content. Apparently there was some demand from the Maritime Provinces and in the West for a wine of higher alcoholic content, and buyers in these provinces will now be able to obtain what they desire. On the other hand, the two provinces where by far the greater proportion of the wine is consumed, Ontario and Quebec, will apparently not be affected by this move. So far it has not been the policy of the Liquor Control Boards in these two provinces to buy the high alcoholic content wines.

* * *

N. Y. Curb Next

A short time ago the names of the "public" representatives on the board of the New York Stock Exchange were announced. This was taken to be the last major step in the reorganization of that body.

Now the New York Curb Exchange has accepted much the same move. Three new governors representing the public are to be added to this board. Numerous other changes in the set-up would be made under the proposals now being considered which would bring this organization closely in line with the stock exchange itself.

Healthy Prospects...

● Canadian business has entered the Fall season with improved near term prospects. The largest wheat crop in five years has given a sharp stimulus to western purchasing power, car loadings are gaining as the crop moves to market, construction outlook is brighter.

Alberta's crude oil production in the first eight months of the year was three times greater than output in the same period of 1937; gold production has shown good gains to date, while still more oil wells and gold mines will be brought into production before the end of this year.

★ *Investors may share in Canada's improving business activity through the purchase of carefully selected securities. We shall be glad to furnish investment suggestions upon request.* ★

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Northern Wood Issues Stock Plan

Saskatchewan Company Plans Erection of Creosoting Plant

Offering of 6% preference shares of Northern Wood Preservers (Saskatchewan) Ltd. is at $100 a share with a bonus of 4 common. The company, a Saskatchewan incorporation, 1938, is stated in the prospectus to be constructing a pressure creosoting plant at Prince Albert. It plans to supply Saskatchewan demand for creosoted wood products and to secure business in Manitoba and Alberta.

A 10-year contract has been arranged with Dominion Briquettes & Chemicals Ltd., Bienfait, Sask., for necessary creosote oil, obtained as a by-product from the briquetting of coal.

Capitalization of the company consists of the following:

Capitalization	Author.	To be Issued	Par
6% preferred ..	2,500	1,000	$100
Common	50,000	40,400	n.p.v.

The stock being offered carries a cumulative 6% dividend. It is convertible up to July 15, 1941, into common stock at the rate of five common shares for each share of preferred. Subject to the payment of the regular 6% cumulative dividend and to payment of 50% of remaining net profits into a sinking fund for redemption of preference shares, after $2 a share is paid on the common, preferred shares participate share for share with common in remaining net profits.

Officers and directors of the company are R. J. Prettie, president, Port Arthur, Ont.; A. E. Larkin, Minneapolis; Hugh Sibbald, Prince Albert; John MacAulay, K.C.; J. H. McDonald, D. A. Thompson and W. S. Neal, Winnipeg.

The prospectus does not give any details of financial position of the company.

Investment Notes

Stock Purchase Advised — Wills, Bickle & Cayley, Toronto Stock Exchange firm, are recommending the purchase of better-grade industrial and mining stocks at present, according to their October investment letter, concluding that: "Developments in the European situation must be watched with the greatest of care, and the effect that activities in Washington may have upon business and upon the minds of businessmen may change the outlook. It is therefore important that particular attention be paid to marketability of any security purchased so that, in the event of unfavorable developments, sales may be made without great sacrifice."

* * *

Newsprint stocks—Need for accurate timing of market commitments in newsprint stocks is emphasized by C. A. Gentles & Co. in a memorandum in which they mention many of the important factors governing the industry's future. Feeling that there are still possibilities of capital appreciation from present levels, C. A. Gentles are recommending Abitibi, Consolidated Paper, Lake St. John and Price Bros.

* * *

Highest grade securities—G. W. Blaikie & Co., Toronto, recommend only purchase of securities carrying the highest rating and feel that such purchases are advisable at present. They say: "It is our feeling that, with the trend of industrial activity continuing such a stubborn advance, security prices will follow their usual procedure of anticipating a return to a level of high industrial earnings."

* * *

Food Prices—Prices of food in Canada will be on a lower level than last season, J. Milton Cork, president of Loblaw Groceterias, forecasts in The Toronto Stock Exchange bulletin. This year a bountiful harvest promises adequate supplies of fruits, vegetables and farm products, and a repetition of last year's shortage is unlikely to occur, Mr. Cork states.

* * *

Postal Telegraph — Preferred shareholders of the company left out in the cold by the Lehman and Steward plan for reorganization are raising objections through a protective committee. Objections from this source were not unexpected, and the net result at least will be to delay consummation of the plan.

* * *

Stop & Shop—R. H. Hommell told shareholders at the annual meeting that operations of the company generally were greater in volume than last year and in the Toronto area were the best in five years. No reference was made to the interest and defaulted sinking fund payments on the first and second mortgage 6% bonds. Some proposal in connection in this respect is expected shortly.

* * *

Standard Steel Construction—Preferred dividend requirements were covered with a good margin in the first half of 1938. Company is understood to have obtained valuable business from construction of beacons on Trans-Canada Air Lines.

Market Opinions

Market commentators this week seem disposed to counsel waiting for more favorable price levels before making further purchases although still optimistic regarding the future.

Brookmire Bulletins, New York—"The dominance of the longer-term trend of recovery comes more and more clear as the war-threat unsettlement recedes into the past. While the future main trend of the stock market is thus clearly indicated, the current rise has been abnormally sharp without any appreciable interruption. Thus some temporary recession, which should provide advantageous use for any cash that may have been accumulated, is a logical expectancy. The value of maintaining invested positions in dynamic stocks, which has been demonstrated in the current advance, should continue strongly evident as recovery progresses."

* * *

Barron's, New York—(The Trader)—"It was plain at the week end that the pace of speculation was quickening at a rate that portrayed general public and professional participation. Utility and armament programme developments at Washington, evoking vigorous response, radically changed the character of leadership. The backward and apparently underpriced issues have fallen in line to round out the advance. At the same time, bigger and bigger volume is being required to lift the general list. Force of a movement that is finally getting the benefit of big sentiment-molding news may not be arrested until an obvious 'boiling point' occurs but with so unanimous a conviction that 'the market is safe until election day' it may be the part of wisdom in a week or two to assess quotations against tangible business developments and earnings as well as against cyclical possibilities."

* * *

The Annalist, New York. — "In view of the continued expansion in business activity, therefore, there is some justification for believing that the present level of stock prices is a more reasonable one relative to business conditions and the shorter-term outlook than was the case last July. If this is true, the question arises as to how far the current recovery can progress without an important reaction. It will be recalled that the June rally was unusually well sustained in view of the fact that there were few conclusive indications of business improvement.

"The business situation being apparently stronger now than it was three months ago (and the foreign situation having become less threatening, although more widely advertised) there is consequently some justification for a belief that the market could advance farther without the necessity of a serious correction. If the current level of prices is compared only with that of last July, the present level appears entirely reasonable."

* * *

The Financial World, New York—"In the stock market there seems still to exist the familiar situation of most of the buying being done by the larger type of monied investors. Certainly, the purchasing which has carried along the current phase of the advance has been conducted on a cash basis, as eloquently shown by brokers' loan figures. And the figures on odd lot transactions show that 'the public' has been preponderantly on the selling side during the rise. With so large a proportion of the potential purchasing power not yet in the market it would seem that as long as the general outlook continues favorably defined, whatever technical price reactions occur are likely to be of only minor proportions. Of course, the speed and the extent of the price recovery since Sept. 26 itself suggest that there is about due a period of readjustment, or consolidation, but the appearance of any such development could be utilized for the completion of buying programmes by those who do not yet occupy a fully invested position."

* * *

The Economist, London (Oct. 8)—"The Stock Exchange this week failed to maintain the vigorous enthusiasm of last week's closing stages. It examined the peace in a calmer light, and decided that it did not dispose of rearmament and its costs. Jobbers found it difficult to achieve a dealing basis, after three hectic weeks, to justify the new conditions. Substantial buying did not appear on Monday, although post-bags were swollen with smaller business. Parliament's deliberations and Mr. Duff Cooper's resignation affected sentiment. Not until Thursday, when Wall Street's buoyancy, coupled with hopes of a Mediterranean settlement, lightened the tone, was there any real impetus in the market and any improvement in trade."

B. A. Oil Sales On Good Basis

(Continued from page 1)

It is expected that this refinery will be in operation early in 1939.

Satisfactory Progress in U. S.

The company is also well satisfied with progress being made in its crude oil producing properties in the United States. It is understood that the actual position in the different fields is better than at the end of 1937. This is in spite of not being able to reach the level of crude oil production which had been hoped for largely because of pro-ration changes. In the end, however, this should work out to the company's advantage as eventual recovery of crude oil from producing wells should be greater than if the wells had been allowed to produce at a rate closer to capacity.

British American has extensive interests in East Texas. Just recently a petroleum engineer expressed the opinion during the course of a court hearing that more oil would eventually be recovered from the central section of the East Texas field, where B. A.'s chief holdings are located, than had come out of the ground in the years that this field had been producing.

Holdings Well Distributed

B. A. Oil holds extensive acreage, through its wholly-owned subsidiaries, The British American Oil Producing Co. and The Toronto Pipe Line Co., in the oil fields of Texas, Oklahoma, Montana, Kansas, Louisiana, Arkansas, Wyoming, Colorado, Illinois and New Mexico. As at Aug. 1, 1938, the company owned or had interests in 279 producing wells in the United States. Of these, 145 wells were in Oklahoma, 112 in Texas, 11 in Montana and 11 in Kansas. At that time net average daily production was above 12,000 barrels daily.

The company does not fear any serious disturbance of crude oil markets as a result of the recent price cut which has been general in the mid-continent and Texas fields. A general reduction of this kind places all producing companies on the same footing and British American is confident of its ability to maintain its position. The former price had prevailed since the beginning of 1937 and some reduction in revenues from oil can be expected in the last quarter.

$1 Million Bond Returned

Effective Oct. 12, 1938, the Supreme Court of Oklahoma gave a decision favorable to British American Oil Producing Co. in the lawsuit instituted by Barnsdall-Midway Oil Co. As a result of this decision, the $1 million bond which British American had posted to cover a possible adverse award is returned to the company. This Supreme Court decision is final and leaves no further chance for appeals.

The suit arose from the claim of Barnsdall-Midway to share in revenue of some British American oil wells in the Oklahoma City field. In 1933 B. A. Oil entered into an agreement with Midway Oil Co. for joint ownership of some properties in the northern extension of the Oklahoma City producing area. Oil was discovered on the Mary Green lease which was one of the properties covered by the agreement and was first to be drilled. Midway Oil Co. sold its interests to Barnsdall-Midway Oil. The latter company then entered a suit claiming a half-interest in certain acreage which British American Oil Producing Co. had purchased outside of the existing contract. On the acreage in dispute were located the rich Piersol, Stone and Russell wells.

The first decision was in favor of Barnsdall-Midway but on an appeal by British American Oil Producing Co. to the Oklahoma Supreme Court the first ruling was reversed in favor of British American. Later Barnsdall-Midway appealed to the Supreme Court for a rehearing and a reversal but the latest decision makes a final disposition of the case.

Humberstone Cuts Rate on Dividends

Plant Closed During Past Few Weeks Because of Labor Trouble

Shareholders of Humberstone Shoe Co. were told at the annual meeting by H. H. Knoll, president, that indications for the current fiscal year were for a more favorable year than that ended July 31, 1938.

The company's plant has been closed down for the past few weeks but it is anticipated that an agreement will be reached soon with workers, enabling the company to resume operations.

Cash balance at Sept. 30, 1938, was reported as $10,800, as compared with a bank overdraft of $160,700 a year ago and accounts receivable were $170,706, against $160,500. Accounts payable were reduced from $103,200 a year ago to $50,800 at Sept. 30, 1938.

Dividend payment on Nov. 1 will be reduced to 25 cents on the common shares from the previous quarterly payment of 50 cents a share. This rate had prevailed since 1932.

Nat'l Breweries Maintains Sales

Operating Results Compare Favorably With Last Year

From Our Own Correspondent

MONTREAL. — Business of National Breweries in the current year to date shows little change from last year. Sales in the first nine months were maintained at approximately the same level as in the corresponding period of 1937.

No official statement is available as to earnings, but operating profits should be about equal to those for the same period last year. There has been no major change in cost factors, although the price of malt is higher than a year ago. Barley has recently been selling at a lower level than for some time, but the benefit of this will not accrue in the current year. The company is still using high price malt.

Net profit last year amounted to $2.29 a share on the common stock, compared with $2.19 a share in 1936 and $2.46 a share in 1935.

While operating profits may show little change, investment income probably will be lower. Last year the company reported income from investments of $147,060, profit from the sale of securities of $141,025 and interest of $60,833 on a loan to a subsidiary. In the current year profit from the sale of securities is not likely to be as large. In 1935, income from this source amounted to only $21,658.

Lower Rates Sought By Nova Scotia Light

From Our Own Correspondent

MONTREAL.—Nova Scotia Light & Power Co. has applied to the Nova Scotia Board of Public Utilities for approval of a new rate schedule which will result in lower domestic and commercial rates for customers in Dartmouth and Bedford areas.

The application seeks a reduction of the service and energy charges for domestic consumption. Approval is sought for a service charge of 30 to 60 cents instead of the existing charge of 30 to 90 cents and in the energy charge a reduction of 4 cents a kw.h. for the first 3 kw.h. per 100 square feet. Under the present schedule the energy charge for domestic service is 5 cents for each kw.h. for the first 3 per month for 100 square feet. The charge of 2.5 cents per kw.h. for all additional consumption will not change provided the new rates are approved by the Board.

Reduction of a cent for energy charges in the commercial service so that a rate of 4 cents per kw.h. for the first 100 kw.h. a month per kilowatt of connected load or a maximum demand, whichever is the basis of service charge, instead of 5 cents at the present time, is also sought by the company. Additional consumption will remain at 2.5 cents per kw.h.

International Petroleum Sept. Production Drops

International Petroleum Co. reports that total crude oil production from its South American properties was 2,851,708 barrels in September, a daily average of 95,057 barrels. This is a reduction from the August average of 95,607 barrels but higher than the 93,325 barrels produced in September last year and above the average of 94,011 for 1938 to the end of September.

Of the September aggregate, Peru produced 1,070,457 barrels and Colombia 1,781,708 barrels. For the first nine months of 1938 aggregate production has been 9,953,975 barrels from Peru and 15,710,955 barrels from Colombia, making a grand total for nine months of 25,664,930 barrels.

New Issue

Province of Nova Scotia

3½% Bonds, due November 1st, 1950

Nova Scotia has reported a balanced budget in the last two fiscal years, with a surplus of ordinary revenue over ordinary expenditure, including sinking fund appropriation. Budget estimates for the current fiscal year also provide for a surplus. In addition, partial relief requirements were provided for out of current revenue in 1937 and in the 1938 budget.

The Honourable Angus L. Macdonald, Premier and Provincial Treasurer, has stated: "The accrued receipts and expenditures for the first ten months of the fiscal year are within the budget estimate figures".

Price: 100 and accrued interest.

Descriptive circular forwarded upon request.

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Limited
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Ottawa Hamilton
Winnipeg Vancouver London, Ont.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and trac. tion 15	Banks 8	Total utilities 19	Total co's. 96
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	193.3
Low	39.2	3.0	37.7	87.7	30.8	78.6	33.8	44.3	47.1	63.1	36.9	62.2
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.2	46.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	42.7	97.9
May	107.2	15.7	85.6	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
June	111.8	18.6	84.8	170.0	54.1	156.2	109.2	129.8	61.2	81.0	45.1	100.0
July	129.2	23.1	88.6	177.6	59.4	167.9	120.5	142.6	66.4	84.9	48.6	106.9
Aug.	130.1	21.0	88.3	176.7	59.0	168.5	122.1	139.3	64.3	86.0	47.1	105.2
Sept.	120.6	17.5	78.4	165.0	54.3	162.2	108.8	121.2	57.8	83.4	42.7	98.6
Weekly Figures, 1938:												
Oct. 6 ...	133.2	21.9	83.3	177.5	56.8	168.4	120.3	136.3	63.1	84.5	46.4	105.9
Oct. 13 ..	139.8	23.4	86.8	184.4	56.6	170.0	125.6	141.5	65.0	86.9	47.8	110.0

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Oct. 18	126.57	121.41	102.73	31.84
Oct. 17	125.99	121.59	103.59	32.16
Oct. 15	126.87	122.72	103.82	32.62
Oct. 14	126.24	122.01	101.52	32.62
Oct. 13	126.90	122.85	102.19	33.67
Oct. 12	124.38	122.61	99.63	33.37
Month ago ...	107.20	110.56	83.37	27.80
Year ago	115.13	102.05	64.10	26.56
High, 1938 ...	126.90	127.19	103.95	50.85
Low, 1938 ...	97.66	101.86	64.47	25.77

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	18 Golds
Oct. 18	67.9	85.5	79.6	124.72
Oct. 17	68.1	85.6	79.8	124.74
Oct. 15	68.6	86.7	80.7	124.98
Oct. 14	68.6	86.3	80.4	124.99
Oct. 13	68.6	86.3	80.7	125.22
Oct. 12	68.7	85.2	79.7	124.53
Month ago ...	61.3	73.6	69.5	120.63
Year ago	65.1	66.2	65.9	98.34
High, 1938	69.3	88.2	81.4	130.77
Low, 1938	57.6	61.1	60.5	103.06

Lower Interest Covered By the Balfour Building

Balfour Building, Montreal, was approximately 99.66% rented as at October 1, 1938. Rentals on this basis would give an annual gross revenue of $88,919. After deducting various expenses and taxes, balance available for bond interest would be $36,919. As bond interest at present rates requires $22,584, a surplus of $14,335 would be left.

Interest due October 1, 1936, and in April and October, 1937, on the $752,800 of 6% first mortgage bonds of Balfour Building was postponed. Interest of 1½% was paid on April 1, 1938, on the October 1, 1936, coupon and another 1½% payment made in October.

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PLateau 4881

This issue having been sold, this advertisement appears as a matter of record only.

$830,000

Manila Gas Corporation

First Mortgage Six Per Cent Twenty-Year Gold Bonds, due July 1st, 1945

Principal and semi-annual interest (January 1st and July 1st) payable in lawful money of the United States in New York or Manila, P.I. Coupon Bonds of $1,000 denomination, registerable as to principal. Redeemable at the option of the Company at 102½ up to and including July 1st, 1939, the premium decreasing ½ of 1% each year thereafter up to and including July 1st, 1943, and thereafter at par to maturity, except that Bonds called for redemption through the sinking fund shall be redeemable at par; in each case with accrued interest.

Trustee: Philippine Trust Company, Manila, P.I.

CAPITALIZATION
(As at June 30th, 1938)

	Authorized	Outstanding
First Mortgage 6% 20-Year Gold Bonds, due July 1st, 1945*..............................	(Closed)	$830,000
Common Stock (100 Pesos Par Value)..............	15,000 shs.	15,000 shs.

*By supplemental indenture principal of and interest on the Bonds have been made payable in lawful money of the United States.

THE COMPANY: Manila Gas Corporation, incorporated in the Philippine Islands in 1912, is engaged in the manufacture, distribution and sale of gas without competition, the sale of by-products from the manufacture of gas and the merchandising of appliances for the utilization of such gas in the City of Manila and the Province of Rizal, Philippine Islands.

The Company serves approximately 15,000 residential consumers and about 2,500 commercial and industrial customers in a territory having a population of about 500,000 of which approximately 361,000 reside in the City of Manila.

EARNINGS: For the three years and six months ended June 30th, 1938, average annual earnings, before interest and depreciation, were equal to over 8½ times the annual interest requirements on the $830,000 of First Mortgage Bonds outstanding and after deducting depreciation were equal to more than 6½ times such interest requirements.

ASSETS: The property of the Company was carried on the books as at December 31st, 1937, at $5,387,823, against which was a Reserve for Property Retirements of $1,456,210, indicating net book value of property of $3,931,613.

W. C. Pitfield & Company, Limited

235 St. James Street
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80 King Street West
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Bond Markets

Government Financing In Volume is Rumored

Nova Scotia Issue May Be Forerunner of More Funding Within Month—Quebec Loan Being Discussed

The Province of Nova Scotia $4.5 millions loan currently being offered may be the forerunner of a considerable volume of Government financing within the next month.

A Province of Quebec loan has been rumored for several months and discussions are now under way. The size of the loan has not been decided, but $50 millions has been the figure most frequently mentioned.

The Quebec loan will certainly be a large one. The province has a $5 million maturity falling due on November 1. Furthermore, a $12 millions maturity on October 1 was met through banking arrangements. Not only are there these two maturities to refund, but there were $9.5 millions of treasury bills outstanding at June 30. In addition the province needs funds to finance capital outlays, so it can be seen the loan will have to be for a substantial amount.

The Dominion Government is also giving consideration to additional financing. It has $40 millions of 2% notes falling due in New York on January 2. A large portion of this will probably be refinanced on a long-term basis.

There have also been rumors of an Ontario issue, but it is understood there is now little likelihood of a loan in the immediate future. Ontario is reported to have recently made some short-term financing arrangements with a group of institutions, but apparently this did not involve new borrowing.

* * *

Bond Prices Firm

A firm tone prevailed in Canadian bond markets during the week, with a slight extension of the advance of a few weeks ago. Activity can be described as fair in the high-grade markets, featured by the offering of $4.6 millions of Nova Scotia 3½% bonds. Demand for this issue was good.

As an illustration of the province's soundness it is pointed out that there was a surplus of revenue over expenditure, including sinking fund appropriations, in the 1936 and 1937 fiscal year. In addition the statement of Hon. Angus L. Macdonald, Premier and Provincial Treasurer, is quoted: "The accrued receipts and expenditures for the first 10 months of the fiscal year are within budget estimate figures."

Municipals High

* * *

Municipal buyers still demanded high-grade issues that were missing from the market. The price of Owen Sound debentures of 103.25 is considered good and is indicative of the keen competition to get the issue. This represents a cost basis to the town of only 3.02%. The Township of Teck sold $77,340 of 10-year installment debentures at 99, on a cost basis of 4.20%.

Corporation bonds were active, especially the newsprint group, which was feeling the boost given by September statistics. The better tone of stocks, however, contributed to the rise.

For the first time since June 15 the price of Dominion treasury bills reversed their trend. Seven consecutive rises have been registered since the all-time low yield of 0.465% of the issue sold on that date. The issue dated Oct. 14 was sold on a discount rate of 0.747%, compared with 0.760% on the previous bills. This is generally interpreted as a sign of greater strength underlying the high-grade market.

* * *

Rate Increase?

Prediction that there will be no increase in interest rates of high-grade securities was made by Allan M. Pope of First Boston Corp. before the American Life convention.

Mr. Pope reasons that the power to control money rates has been tremendously increased by the U. S. Government. The road is therefore open to borrowing at easy rates. Since the U. S adopted its present spending policies in 1933, bank deposits have increased, coupled with a corresponding increase in bank investment in high-grade bonds. Corporations and municipalities have taken advantage of lower rates to refund, and institutions have felt the effect of reduced income.

These observations have not the whole-hearted endorsation of many economists, who see a general, if very gradual, rise in interest rates as business recovery, stimulated by the same spending policies, gets under way.

The predicted rise will be a gradual one, it is stated, synchronized to the tempo of industrial activity. In United States, England and other nations, government expenditure on armaments threaten to upset Mr. Pope's calculations. The capital thus diverted will be needed for the expansion of peace-time industry.

* * *

Bond Index

There was a small movement upward of high-grade bond prices during the week. The Financial Post average of seven Government bonds is approximately two points below high for the year, but far above the levels to which it dropped a short while ago.

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price $	Yield %	1937	Price $	Yield %
Oct. 18	115.46	2.927	Oct. 19	112.88	3.334
Oct. 17	115.45	2.929	Oct. 18	113.20	3.307
Oct. 16	115.48	2.924	Oct. 16	113.22	3.307
Oct. 14	115.48	2.924	Oct. 15	113.27	3.303
Oct. 13	115.34	2.941	Oct. 14	113.41	3.289
Oct. 12	115.29	2.951	Oct. 13	113.50	3.284
Year's	117.21	2.783	Year's	116.81	3.026
Range	111.86	3.389	Range	111.69	3.505

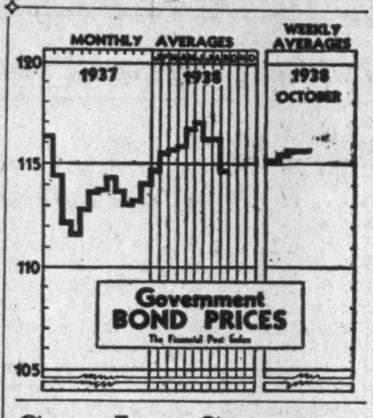
Bond Tenders

4 p.m., Oct. 24, Sherbrooke, P.Q.—$160,000, 3½%, dated Oct. 1, 1938, maturing in series from Oct. 1, 1939 to Oct. 1, 1958. Ant. Deslauriers, city clerk.

5 p.m., Nov. 7, Dartmouth, N.S.—$25,600, 3½%, 20-yr. debentures, dated Nov. 1, 1938. W. T. Smith, clerk.

6 p.m., Oct. 31, Drummondville, P.Q.—Two issues totalling $171,500, both dated Aug. 1, 1938, maturing serially over 20 years and bearing 3½% interest. The issues are for $91,000 and $80,500 respectively. Raoul Heroux, treas.

5 p.m., Oct. 31, City of Longueuil, P.Q.—Two issues of $43,300 and $35,400 respectively, dated Oct. 1, 1938, maturing serially Oct. 1, 1939 to Oct. 1, 1963, bearing 4% interest. A marked cheque for 1% of each loan must accompany tenders. Denis Viger, sec.-treas.



Candn. Cottons Sales Off 27%

To Date Purchases from Western Canada Have Been Disappointing

From Our Own Correspondent

MONTREAL.—Present indications are that earnings of Canadian Cottons in the current fiscal year will be substantially below those of last year. In the six months ended Sept. 30, sales were about 27% below the corresponding period of last year.

Results to date are distinctly disappointing, but are in keeping with the experience of other textile manufacturers. Furthermore, there are no definite signs of an upward trend. As yet the improvement expected as a result of the better crop in western Canada has not developed.

At the moment it is impossible to make any estimate of final results for the year. This will depend upon the trend of sales during the remaining six months. In this connection it should be noted that the decline will not likely be as marked in the first half of the year. Sales in the last half of 1937-38 fiscal year were considerably below those in the first half of that year.

Earnings will also be affected by higher costs. As a result of the labor difficulties last year, wages were increased. Furthermore, other cost factors have shown little flexibility.

W. C. Pitfield Sells Manila Gas Issue

From Our Own Correspondent

MONTREAL.—An issue of $830,000 of 6% first mortgage bonds of Manila Gas Corp. has been sold by W. C. Pitfield & Co., Montreal investment firm.

Manila Gas Corp. manufactures and distributes gas in the city of Manila, Philippine Islands. It serves approximately 15,000 residential consumers and 2,500 commercial and industrial customers.

Assets of the company are carried at $5.4 millions against which there is a depreciation reserve of $1.5 million, leaving a net book value of $3.9 millions. In the 3½ years ended June 30 last, average annual earnings before depreciation were equal to 8½ times bond interest requirements. After depreciation they were equal to 6½ times interest requirements.

The bonds are payable in U. S. funds and mature July 1, 1945.

Consumers Finance Ltd. New Business Up 60%

Consumers Finance Ltd., Ottawa, reports that new business obtained for the nine months ended Sept. 30, 1938, was 60% higher than for the same period in 1937. Gross earnings for the same period were up 51.3% and net earnings, before reserves for contingencies, are running at the rate of more than 2½ times the preference share dividend requirements.

This information is contained in the letter sent to shareholders along with the cheque for the regular half-yearly dividend on the preference shares of 25 cents a share paid to shareholders of record Sept. 30, 1938.

Common shareholders subscribed for the full offering of 2,622 additional common shares last July at $2 a share.

Fanny Farmer Candy Purchases Own Stock

Fanny Farmer Candy Shops, Inc., has advised the Toronto Stock Exchange that between Jan. 1 and Sept. 30, 1938, it has purchased in the open market 5,675 shares of its common stock. As there were 390,464 shares outstanding at the end of 1937, this would leave 384,769 now outstanding.

Prior to this year the company had purchased and registered in its own name 9,536 shares. To the end of September this year, the stock has ranged in price from $22 to $14.75 a share, so that cost of the 5,675 shares purchased by the company must have been somewhere between $124,000 and $84,000. If 1937 net profit of $803,937 had been applied to present outstanding capital of 384,769 shares, it would have been equivalent to $2.35 a share against $2.06 a share actually reported.

Colombia Bond Plan Suggested

Minister of Finance Would Resume Modified Service

A plan whereby Colombia may resume service on its external debt has been outlined by the country's Minister of Finance. The Minister suggested passage of law, something in the nature of the following:

(1) Renewal of interest payment on the foreign debt of 1½% for the first four years.

(2) If balance of payments is favorable in the three principal exports, gold, petroleum and coffee, or if the principal exports increase over their present volume, the interest would be raised to 2% for three more years.

(3) This period terminated, if the balance of payments on the basis of exports continues to increase, 1% of the amortization of capital and the continued payment of 2% for another four years.

(4) Over a 10-year period increase of interest to 3% according to position of basic articles of export.

Would Sacrifice Money

According to the provision of this suggested legislation, holders of bonds who allow one year to expire without using the plan, would sacrifice their money, which will be used to purchase external bonds on the open market.

Guarantees will be given by the Bank of the Republic that the plan will be faithfully carried out as respects the payment of foreign exchange.

Departments and municipalities should be authorized to renew service on external debt but not beyond terms of the plan for the national debt. Authorization also should be given to convert debts into bonds in Colombian currency with interest at 4% for the first four years and with a minimum amortization period of 30 years. Conversion should not exceed 83%, or 830 Colombian pesos per $1,000 in external bonds.

These provisions are drafted on the experience of other Latin-American countries. It is stated that a compromise of this sort is preferable to an attempt to come to an agreement with the several representatives of the bondholders. No judicial action on the part of foreign creditors will be accepted in this Colombian plan.

There has been introduced in the Colombian Senate and passed in first reading, a bill to create a board to advise the Government in all matters relating to an arrangement of the public debt. The bill would also authorize the Government to send abroad a commission to study the foreign debt problem.

Syndicate Completes Montreal Bond Sale

From Our Own Correspondent

MONTREAL. — The syndicate headed by Savard, Hodgson & Co. and W. C. Pitfield & Co. has taken up the balance of the City of Montreal's $4 million loan.

The option on the $750,000 unsold portion of this loan was recently extended to Dec. 1. Within a few days of the extension of the option, however, the entire amount was taken up. This was made possible in part by purchase by the Montreal Metropolitan Commission of a $200,000 block.

Now that this issue is out of the way the city may float another issue in the near future. The city council is being asked to grant the executive committee authority to borrow $2.4 millions in order to consolidate loans from the bank for the purpose of financing direct relief.

About $1.7 millions of the loan offered in March remains unsold. The portion remaining unsold are 3½% five-year bonds. The price at which these bonds were offered is not in line with present market levels.

Bond Sales

Wickstead, Ont.

The Township of Wickstead, Ont., has sold an issue of $14,000 of 4½% 15-year installment debentures to Midland Securities Co. The bonds are being offered at par.

* * *

Owen Sound, Ont.

The Bank of Montreal was the successful bidder for $75,000 of the City of Owen Sound 3½% installment debentures. The issue was purchased at 103.25, on a cost basis to the city of 3.02%. Of the total, $20,000 of the debentures mature from 1939 to 1948; $55,000 mature from 1939 to 1953. The funds will be used for an auditorium, skating rink and equipment.

Other bids received were:

Wood, Gundy & Co.	102.38
A. E. Ames & Co.	102.08
Fry and Co.	101.819
Midland Securities	101.81
R. A. Daly & Co.	101.79
Harris, Ramsey & Co.	101.767
Fairclough & Co.	101.67
Dyment, Anderson & Co.	101.67
Mills, Spence & Co.	101.56
Harrison & Co.	101.51
Dominion Securities	101.35
McLeod, Young, Weir & Co.	101.28
Bell, Gouinlock & Co.	101.26
Frank L. Craig	101.10
Royal Securities Corp.	101.07

* * *

Dominion Treasury Bills

Sales of $30 millions of Dominion Treasury bills at 99.81402 on a cost basis of .747% marks the first decrease in the rate since June 15. The previous $25 millions issue, dated Sept. 30 was sold on a cost basis of 0.760%, which was the seventh consecutive rise. The issue dated Oct. 13 replaces $30 millions of maturing bills, leaving the amount outstanding unchanged at $155 millions.

Mayor Building Has Surplus Over Interest

Mayor Building, Montreal, was 96.10% rented on Oct. 1. On this basis gross annual revenue would be $85,600. Deduction of various expenses and taxes would leave a balance of $35,100 available for bond interest which, at present rates, requires $26,123. Taxes due for 1938 to 1939 year were unpaid, amounting to $15,054.

On its $580,500 of first mortgage bonds Mayor Building paid 2¼% last May. This is one half year's interest at the reduced rate of 4½%, which is in effect to May 1, 1942, maturity of the bond issue.

SEC'Y-TREASURER

Albert E. Stuhlfire, who was recently appointed secretary-treasurer of Montreal Coke & Manufacturing Co. and Lasalle Coke Co., succeeding C. A. Tellman, now vice-president of Lasalle Coke Co. in charge of coke sales.

Brown Co. Seeks Funds In Order to Pay Taxes

From Our Own Correspondent

MONTREAL.—Trustees of Brown Co., pulp and paper manufacturers, are seeking court permission to issue trustee certificates in order to obtain funds for tax payments. From the proceeds of an issue of certificates it is planned to pay $500,000 of the $693,175 owed in taxes in the States of Maine, New Hampshire, and Vermont.

Since 1935 Brown Co. has been operating under the United States Federal Bankruptcy Act. It operates a plant at Berlin, New Hampshire, and, through a subsidiary, at La Tuque, P.Q.

The company owes $30,863 in taxes for 1936, $134,940 for 1937 and $527,372 for 1938. Unless the New Hampshire taxes are paid by Dec. 1, there will be a 10% interest penalty.

The certificates, if issued, will probably carry a 4% coupon.

Canadian Insurance Shares Accepts Exchange Offer

Offer of an exchange of shares in Traders Finance Corp. for Canadian Insurance Shares has been accepted by holders of more than the required 75% of outstanding stock. The offer originally expired on Sept. 15 but was extended for one month.

Basis of exchange is three shares of series A 6% cumulative preference stock of Traders Finance for each 10 shares of Canadian Insurance Shares. On the basis of this exchange each share of Canadian Insurance Shares will be exchanged for the equivalent of $30 par value of Traders Finance preferred, entitled to $33 a share in the event of redemption. Cumulative dividends on this holding would equal $1.80 a share against present payments of $1.

Mont'l Power Earnings Rise

Results for Nine Months Are Better Despite Lower Sales

From Our Own Correspondent

MONTREAL.—Results for the nine months ended Sept. 30 indicate that profits of Montreal Light Heat and Power for the current fiscal year will be slightly ahead of the common share earnings of $1.91 in 1937.

Net income available for dividends in the first nine months of the year is reported to be $190,000 higher than in the same period last year. Profit for the nine months is estimated at $5,750,000.

The improvement in profits was achieved despite lower revenues from both electricity and gas service, higher fixed charges and an increase in taxes. This is due to an increase in non-operating income. The increase in fixed charges is due to additional bonds issued in connection with the Beauharnois reorganization. Taxes for the period increased about $190,000, or nearly 10%.

Earnings available for fixed charges were approximately $9,930,000, which is equivalent to 4.3 times fixed charges of approximately $2,260,000. The latter figure is $300,000 higher than in the same period a year ago. After fixed charges, but before depreciation, earnings were up about 3.7%.

The total tax bill for the period was approximately $2,240,000, which is equivalent to over 49 cents a share on the company's outstanding common stock.

Toronto. — Proposal that legislation be enacted to reduce the dividend paid by Consumers' Gas Company from 10% to a maximum of 5% was voted down by Toronto City Council.

CARE, PAINS, TROUBLE

The law allows any executor and trustee compensation for his care, pains and trouble expended in and about the estate. Whether the executor is a private person or a Trust company makes no difference; remuneration as allowed by the Courts is measured by the work and responsibility undertaken. ¶ In return for this, you can, by appointing the Toronto General Trusts, obtain a thoroughly experienced handling of your affairs. You can be certain that the most will be made of your estate and all possible economies effected. You will also obtain what is of great importance to your beneficiaries, permanence and accessibility at all times. ¶ Established in 1882, this Trust company has had fifty-six years experience as executor and trustee. We invite your inquiries.

THE
TORONTO GENERAL TRUSTS
CORPORATION

Assets under administration $237,000,000

Ottawa Car Head Joins Aircraft Mission

From Our Own Correspondent

MONTREAL. — Redmond Quain, president of the Ottawa Car Manufacturing Co., has left for England to join in negotiations with the British War Office for the manufacture of aircraft in Canada.

Mr. Quain is one of the directors of Canadian Associated Aircraft Ltd., the central organization set up to manufacture bombing planes in Canada for the British Government. A number of other directors of the company, including Paul Sise, president, are at present in England negotiating with the British War Office.

We are pleased to announce the appointment of

Mr. ARTHUR S. TORREY
as General Manager
and of
Mr. ERIC S. MORSE
as Sales Manager of this Company

W. C. PITFIELD & COMPANY
LIMITED
235 St. James Street Montreal, Que.

October 21st, 1938

New Issue

$4,567,000

Province of Nova Scotia

3½% Debentures
(Non-Callable)

To be dated November 1st, 1938 To mature November 1st, 1950

Principal and half-yearly interest (May 1st and November 1st) payable in lawful money of Canada in Halifax, Montreal or Toronto.

Denomination: $1,000

Debentures may be registered as to principal.

Legal Opinion: Messrs. Ralston, Kearney & Duquet.

These Debentures are a direct obligation of the Province of Nova Scotia and are a charge upon all revenue, monies and funds of the Provincial Treasury of the Province. The proceeds of this issue will be used for general highways purposes.

The Honourable Angus L. Macdonald, Premier and Provincial Treasurer, has stated: "The accrued receipts and expenditures for the first ten months of the fiscal year are within the budget estimate figures."

Descriptive circular including financial statement will be furnished upon request.

We offer these Debentures if, as and when issued and accepted by us, subject to approval of Counsel.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close subscription books at any time without notice.

It is expected that Debentures in interim form will be ready for delivery on or about November 1st, 1938.

Price: 100 and accrued interest.

Wood, Gundy & Company
Limited
A. E. Ames & Co.,
Limited
The Dominion Securities Corp.
Limited
McLeod, Young, Weir & Co.,
Limited
Bell, Gouinlock & Co.,
Limited
Mills, Spence & Co.,
Limited
Royal Securities Corporation
Limited
Hanson Bros.
Incorporated
McTaggart, Hannaford, Birks & Gordon
Limited
Harrison & Company
Limited
Mead & Company
Limited
Eastern Securities Company,
Limited
Irving, Brennan & Co.,
Limited
T. M. Bell & Company
Limited

The information contained in this advertisement is based upon statements and statistics on which we have relied. We do not guarantee but believe the statements herein to be true.

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

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GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, CANADA, OCTOBER 22, 1938

The Financial Post's Platform for Canada

Balanced budgets.
A modernized constitution.
Extension of Empire trade.
Integrity in meeting public obligations.

Mr. Dunning's Return

THE return of Hon. C. A. Dunning to Ottawa after his serious relapse of last summer draws attention to the weaknesses and abuses of our Canadian cabinet system. Gratification over Mr. Dunning's recovery is tempered by the fear of further adverse consequences by reason of our present antiquated system of parliamentary responsibility.

As The Financial Post has repeatedly pointed out, the strain and responsibility placed on senior Cabinet ministers in Canada is a national disgrace. Four years ago in a leading article, this paper drew attention to the heavy penalties paid for cabinet stewardship. The article concluded that men who assume the highest posts in Canadian national public life are as often as not handed their death warrant at the same time.

* * *

The most glaring defect is that ministers have to spend too much time in Parliament when they have important administrative duties to attend to elsewhere. During the long weary months when the House is in session they must be "public chore-boys," at everyone's beck and call, both in the House and outside. The frequent result is that either the nation's business goes by default, or the minister cracks under the strain.

In the speech from the throne on Feb. 6, 1936, it was announced that "a bill to provide for the creation of parliamentary secretaryships will be submitted for consideration." This was to be a Canadian adaption of the British system of appointing junior M.P.'s to parliamentary ministerial secretaryships and letting them represent their chiefs in parliament when the latter are especially busy.

That announcement was made 32 months ago—but has anything been done meanwhile? Is it the old story of drift—of letting important reforms go by default? If parliamentary secretaryships do not provide the answer, what has Prime Minister King to offer in its place?

* * *

Few if any jobs in Canada carry as heavy responsibilities as those of the finance portfolio. Much work has been delegated to specialized bodies such as the Bank of Canada, the Tariff Board, the Comptroller, the Treasury Board, but final responsibility for all these still rests in one man—as does the main job of administering some $500 millions of public funds annually.

Whoever carries this responsibility should not have to be at the beck and call of parliament for five months in the year.

This is an antiquated system. It is largely responsible for the seeming inability of most cabinet ministers to lift themselves above the drudgery and routine of petty, detailed matters which should have no place in the daily life of men with important executive jobs to perform.

Reform of the Canadian cabinet system is overdue. It should be hastened by the return of Mr. Dunning.

Stretching the Law

THE provincial press in Britain is much exercised over a recent decision confirmed by the highest courts.

A newspaper reporter was convicted of an offense under the Official Secrets Act. He had published certain information about a man the police were after. The assumption was he had obtained the information from a confidential police circular and his offense consisted of refusing to reveal the name of his informant.

The case in itself was of little importance and the point at issue also seemed one of triviality. It was whether or not a police officer was "a person holding office under His Majesty" and, therefore, a person entitled to demand information under the O.S.A. The Lord Chief Justice and his colleagues, reading the act literally, agreed that he was.

* * *

What is significant about the decision is that the courts adhered to the letter of the law and ignored entirely its spirit and intention. When the Official Secrets Act was passed many years ago the Attorney-General of the day assured Parliament that its purpose was to get at spies and spying and that it had nothing whatever to do with the press.

Here, then, was a case where the police took advantage of the wide terms of an act and were upheld by judges who read into the act a meaning which Parliament itself had never envisaged.

* * *

We have plenty of provincial and Dominion legislation in Canada, which is equally capable of abuse. Many laws are made very broad in their terms in order to prevent too much pettifogging by carping lawyers. Usually police authorities and the courts use good judgment in the application of such laws, so that the limits of the intention of the legislators are respected. But every such unnecessarily broad law is a potential menace to the freedom of the citizen, particularly when a government official is made administrator, prosecuting attorney, jury and judge, all rolled into one.

* * *

The act under which the Ontario Securities Commission functions may be cited as an example of the latter type of statute. An astonishing degree of power has been vested in a single individual. So long as successive security commissioners use their powers solely for the purpose of carrying on their well-understood function of protecting the public from fraudulent security transactions, the excessive authority presents a more apparent than real threat of bureaucratic usurpation.

Another typical example is where several of the provinces in their hunt for "evaded" succession duties have passed laws that go beyond the strict necessities of the occasion.

Commenting on the English case, the Spectator remarks:

> "The serious aspect of the whole affair is that legislation drafted and passed for one specific purpose, which may well have been justified, is being used to serve a quite different purpose, which in the opinion of most people is not justified at all."

Rigorous law does, indeed, often make rigorous injustice, particularly when unintelligently interpreted by public officials, police authorities or judges.

Peace is the Victory

WALTER LIPPMANN, writing in the New York Herald-Tribune, is pessimistic in his estimate of the consequences of the Munich peace. He stresses the fact that both Britain and France suffered there "a great defeat."

Taking Herr Hitler's word that the Sudeten land is the last territorial demand he has to make in Europe, Mr. Lippmann suggests that the next critical issue will be around what is "politely called the colonial problem."

> "I say 'politely called the colonial problem' because it will no more be a colonial problem than the Sudetens were a problem in self determination.
>
> "It will be the problem of empire and the control of the seas, just as the Sudetens were the problem of military supremacy on the continent of Europe and the disruption of the French and British military system."

Mr. Lippmann suggests the acid test for the two great democratic nations in meeting this challenge is whether or not the British people will adopt conscription and whether the French take drastic measures to put their capital and labor to work. These two countries, he feels, must be prepared to make promptly heroic sacrifices, subject themselves to discipline, overcome internal disunion and prepare themselves for "the crucial ordeal of their existence as great world powers."

On these questions, he believes, hangs the issue as to whether the Munich defeat is or is not to become an epoch-making disaster.

Alongside the logic of Mr. Lippman's arguments, there is one very significant fact about Munich that must not be overlooked. Expressed last week in a special despatch by Floyd S. Chalmers, editor of The Financial Post, as the view held by thinking English people, it is this:

> "... the view that a great victory has been won, not by Germany, not by England, not by dictatorship and not by democracy, but by peace-loving people of the world.
>
> "Peace itself is the victory. Peace provides an opportunity for the solution of many problems. Even peace-at-any-price is always less costly than war."

Retiring Our Debt

FEW people like to be in debt. In fact, most people will avoid it if possible.

True, a sensible business man borrows when he needs funds for plant expansion. However, he does his best to cut down his debt as fast as he can. As a rule he worries considerably until the obligation is finally discharged. In most cases he will make careful plans for repayment of the debt.

This is in sharp contrast to the attitude of most of the senior governmental bodies in Canada. Experience shows they do not mind piling up debt. What is even worse, they give little thought to providing for its retirement.

This is a glaring weakness of public finance in Canada. The only sinking fund provision made by the Dominion Government is on certain sterling issues. None of the provinces make proper sinking fund provision and those that have statutory sinking fund requirements are millions of dollars in arrears.

A peculiar aspect of the situation is that all provincial governments require municipalities to provide sinking funds for retirement of debt. In other words, they want the municipalities to be guided by principles of sound finance but they themselves refuse to abide by them.

The present policy simply means Canadians are paying interest on loans contracted for works which are now obsolete. Hundreds of millions of dollars of the public debt have been incurred for assets which no longer exist.

There are instances where interest paid on loans incurred for certain buildings is now greater than the original cost of the building. Yet no provision has been made for retirement of any of the debt.

It is time Canadians called a halt to such procedure.

The immediate objective of the Dominion Government and every province should be to make proper provision for retirement of debt. Sinking fund payment should be an ordinary charge of government just as interest charges are.

Much as a reduction in taxation is desirable, sinking funds should first be established on a sound basis.

The best solution for excessive taxation is to reduce debt.

New National Policy

CRITICISM of Canada's new National Policy of a minimum wheat for prairie farmers came from an unusual source at the recent annual meeting of the Canadian Chamber of Commerce.

Speaking on problems of agricultural marketing, F. E. M. Robinson, a Quebec farmer and former president of the National Dairy Council, deplored with considerable vehemence a Government policy "that actually announces in advance that it will take a loss upon its operations."

He expressed the view that assistance to the farmer must generally take the form of undoing things rather than doing them. "We who remain upon the land are the victims of too much interference," he said, "not too little."

> "You will be disappointed that I have not brought forth a plan to sell apples and cheese and wheat. I know of no such magic save the haggling of the market places where those who wish to buy meet those who wish to sell, and if not interfered with the price will clear the floor.
>
> "Finally, I know of no divine right under which the farmers and city dwellers of North America shall continue to enjoy a standard of life markedly at variance with that obtainable elsewhere. Our skill and industry in developing the resources that we have will determine that standard as will also our promptness and good fortune in retreating from the impossible policies of today under which we mortgage the future in order to pay people for not working while rural property falls to pieces."

Mr. Robinson expressed the hope that if past experience were any criterion, the actual loss to the Government on its wheat experiment would be less than is now feared.

We hope he is correct.

At present the estimated "paper" loss on the transaction runs close to the $50 millions mark.

What is equally important to every primary producer in Canada is the danger as a result of this policy, "that the average price received by farmers during the whole period of the experiment be less than if nothing had been done at all."

Modernizing Our Railways

CHARLES F. KETTERING, famed research genius of General Motors Corporation, said recently that Diesel engines were "absolutely replacing steam on the railroad."

At that rate, the bulk of Canada's steam railway automotive power is obsolete or rapidly becoming so.

In any event, it is a well-known and well-authenticated fact that hundreds of millions of dollars must be spent to bring Canada's two major railway systems up to 1938 standards of efficiency and modernization.

Where is this money to come from?

In all probability it will not be forthcoming unless and until Canada takes some definite steps to solve her railway problem, so as to stop the needless drain of untold millions now being wasted on duplicate, unnecessary and extravagant services.

Editorials in Brief

Colonel Leonard Ayres, of Cleveland Trust Co., is credited with the most comprehensive short definition of inflation. He describes it as: "An artificially stimulated business boom with a specialized kind of bad ending."

* * *

Movie People are said to be chuckling over the fact that the New York exhibitor of "Marie Antoinette" tacked on to the printed programme of the protective label the sentence:

"The events and characters depicted in this photoplay are fictitious. Any similarity to actual persons living or dead is purely coincidental."

* * *

Examination of the budget results of the Dominion over the past three years indicates "prosperity" has done more than its share toward balancing the budget.

Revenues last year were $154 millions higher than in the 1934-35 fiscal period.

The deficit in the 1934-35 year amounted to $116 millions.

There would have been a surplus of $38 millions last year if the Government had not increased expenditures.

Sayings of the Week . .

"Men are admired for the risks they run in a calling not their own."—*Dr. H. L. Stewart.*

* * *

"All Europe stands approximately where Germany stood at the end of 1932, ripe and rotten for dictatorship."—*Dorothy Thompson.*

* * *

"The average housewife has a vocabulary of 800 words — small stock, but think of the turnover."—*Vulney Irons.*

* * *

"The one sure way to bring Fascism to this country is through prolonged government spending of large sums of borrowed money."—*Col. Frank Knox.*

* * *

"I know chaps almost starving in garrets who are painting what they want and getting more fun out of it than a lot of millionaires."—*Walt Disney.*

* * *

"If there is any greater delusion than that the poor man pays no taxes because the tax collector only goes to the rich man, I do not know it."—*Sir Edward Beatty.*

* * *

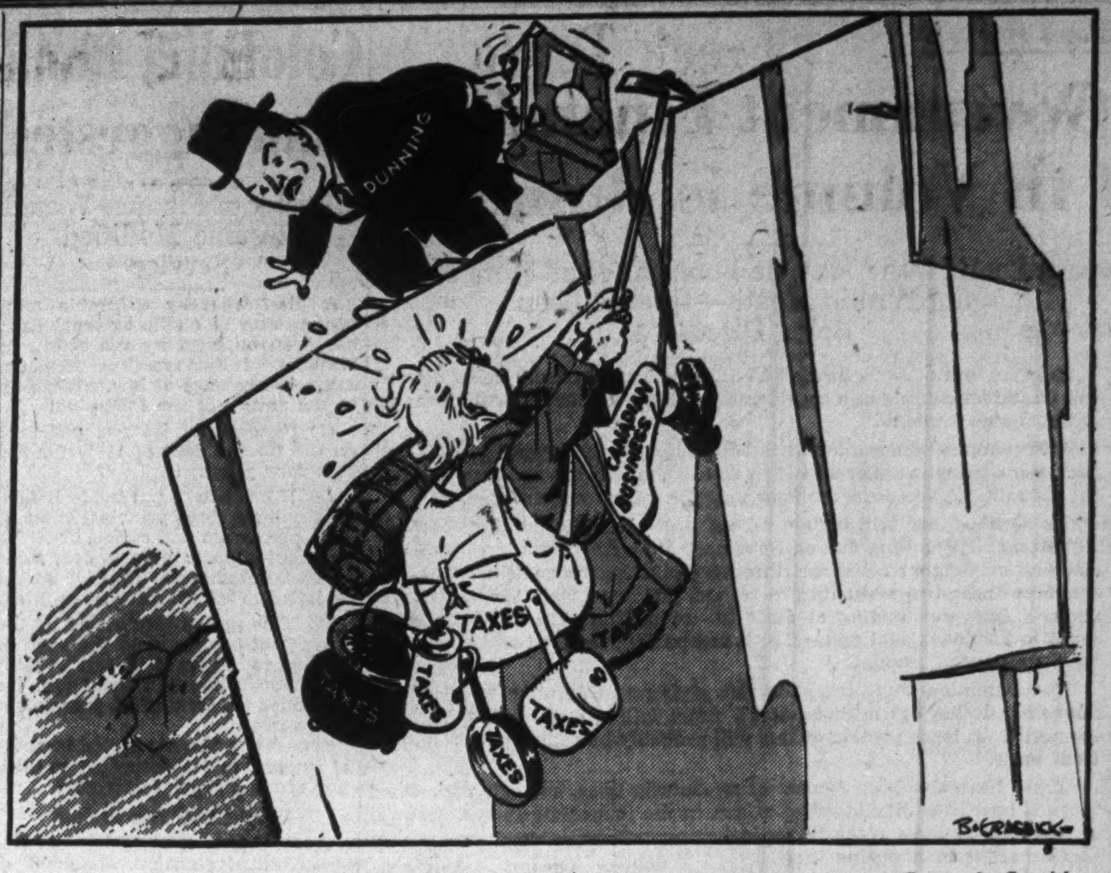
"I am satisfied that business can solve all the unemployment and depression problems a lot faster and better than government ever can with legislative nostrums."—*Charles E. Kettering.*

* * *

"The growth of our taxation set-up has been largely haphazard and as a result of emergencies. It will not stand examination either on the basis of economics or ethics."—*Dr. Horace L. Brittain.*

* * *

"If one can suggest that there are any occasions when it is easy and appropriate to collect taxes I would say that such cases are, in the first instance, when people are making money and in the second instance when they are spending money."—*George C. McDonald.*



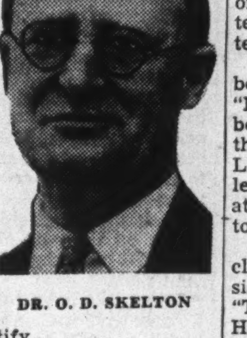
—*Cartoon by Grassick.*

STILL WHERE YOU LEFT US, MR. DUNNING.

Post-Scripts . . . .

Foreign Office

"No words can express what this country owes to Dr. Skelton," said Prime Minister King the other day. "His work during the recent crisis and in the months leading up to it put a tremendous load upon him and upon us all."



DR. O. D. SKELTON

High words of praise these — but well deserved as all who know Dr. Oscar D. Skelton, sometimes called Canada's "one-man foreign office" can testify.

And though Dr. Skelton bears the major responsibility for Canada's foreign contacts it is misleading, in one sense, to say that Dr. Skelton runs a one-man show. When he left Ottawa the other day for his extended holiday with the Prime Minister he left his department in charge of one of the ablest groups of civil servants in this country.

For years, the young men with whom Dr. Skelton has surrounded himself have been the envy of many another Government department. In fact one trouble he has had has been to keep his young associates from being drafted to special government jobs for which their brains and training especially fit them.

* * *

Dr. Skelton, as most people know, is a former professor at Queen's University. Quiet, mild-mannered and retiring, his job as under-secretary of state for external affairs is one of the topmost civil service jobs in Canada. For the past 13 years he has handled Canada's foreign relations for both Conservative and Liberal Governments with great ability and with little public recognition.

In his office in the historic East Block, just down the corridor from the Prime Minister's quarters, he gives his personal attention to dozens of tangled problems involving Canada and foreign countries.

When the King and Queen come to Canada next summer, Dr. Skelton will look after the greater part of the official arrangements and details concerning speeches and public gatherings.

This scholarly man, who leads a secluded life, for the most part away from the bustle of the Capital's social round, holds more state secrets in his confidence than probably any other individual on parliament hill. Not only is he the confidant of the Government, but he is also intimately acquainted with the diplomatic corps, and particularly with the British High Commissioner's office.

* * *

He was born at Orangeville, Ont., July 13, 1878, and educated at Orangeville and Cornwall before taking an Arts course at Queens. He won a gold medal in classics, took an M. A. at the Kingston institution and then got his doctor's degree at Chicago. From 1902 to 1905 he was assistant editor of Booklovers Magazine and then he went back to his Alma Mater at Kingston to be professor of political science from 1908 to 1919.

From 1919 to 1925 he was dean of the faculty of arts and then he came to the department of external affairs as under secretary of state. His broad knowledge of political science and his scholarship in government served him well. There are few countries which can boast a foreign office chief with such a fine judicial temperament and unassailable integrity—far above party politics.

His literary attainments have been considerable. Dr. Skelton's "Life of Sir Wilfrid Laurier" is his best known work. He was in a way the official biographer of the great Liberal statesman and with excellent literary ability and appropriately dignified style, the final tribute to Sir Wilfrid was written.

Other works of Dr. Skelton include, "Socialism, a Critical Analysis," "A Case Against Socialism," "The Railroad Builders," "Economic History of Canada Since Confederation," and "The Life and Times of Sir A. T. Galt."

* * *

New Model

When 152-pound Bert Keightley handed over the presidential gavel of the Association of Canadian Advertisers to 191-pound Glen Bannerman last week, he used words something like this:

"Since most advertising people are currently interested in the new 1939 models which motor manufacturers will shortly unveil, it seems fitting that this Association should also have a new model for president.

GLEN BANNERMAN

"This new model has about the same wheel base as your present president. It has a broader tread, a much higher color, slightly better streamlining.

"The horn is much more mellifluous (meaning, in case you have to look it up as we did, 'sweet as honey.')

"Finally, gentlemen, your new model is, I must say, much better upholstered than your present model.

"Gentlemen, I give you Glen Bannerman."

* * *

Bert Keightley, advertising manager of Canadian Industries Ltd., who has held the A. C. A. presidency now for the past three years, is one of Canada's best-known advertising men. With a Scottish-Maritime background, one of his first important contracts was advertising manager for Quebec Chronicle-Telegraph 1920-24. After a varied experience in Canada and the United States he was made advertising manager, Canadian Industries in 1932.

Glen Bannerman, his successor, crashed this column last January when, to quote ourselves, he acted as "official midwife" at the birth of America's newest low-priced car, the Hudson 112.

Born about 40 miles from Toronto he went overseas as a buck private, came back with a commission and an M. B. E. War experiences failed, however, to shake his enthusiasm for academic halls, so he returned to Jarvis Collegiate in 1919, then on through University of Toronto. He has been in the advertising business 10 or 12 years now and since 1933 advertising manager of Hudson Motors in Canada.

* * *

Crosscards

Did you ever stay up half the night doing crosscards? If so you probably know about the big contest Toronto's Globe and Mail has been staging in recent weeks.

W. M. ANDERSON

Our own interest in such things is, as a rule, mildly supercilious. We confine ourselves to wondering who-on-earth-wins-them-anyway, plus a few passing reflections, of the "what-would-I-do-if-I-had-the-$1,000" variety.

Last week, however, we did sit up and take notice.

Across the top of the page announcing prize winners were two familiar names. One was W. M. "Bill" Anderson, brilliant young actuary of the North American Life. He had split the first and second prize money by tying with Mrs. Dilworth—wife of Elliott B. Dilworth of the statistical department of the Imperial Life—also a friend of ours.

Each had won $1,000 by making the elusive little poker hands add up to 30,285.

Apparently the open sesame to crosscards success was to be in the insurance business—or have a husband there.

* * *

Having known Bill Anderson since university days we suspected that if there were an easy way to get the correct answer, Bill would know it.

Long ago we learned to look with awe at the easy nonchalance with which he solved deep, abstruse problems in actuarial science as propounded by Professor M. A. MacKenzie.

As we remember it, Bill took seemingly little or no interest in lectures and the ordinary drudgery of university routine. Invariably, though, he came out on top. His university biographers reported him as one who "day dreams, night-hawks." They also reported him passing with first-class honors every year—plus three actuarial exams. into the bargain.

When we quizzed him about his crosscard prowess he admitted he had used no playing cards to work out his answer. Pencil and paper, permutations and combinations, plus a brilliant mathematical mind—did the trick.

"Moving cards around is too hard on the eyes," he reports.

At that, he put in a fair amount of work. In the final elimination contest to decide 240 winners he worked nine evenings and, four afternoons. He still thinks the return per hour was not too bad.

* * *

We suspect incidentally that Mrs. W. M. Anderson played a major part in the Anderson success. Mrs. Anderson is an internationally famous bridge player—member of a Toronto Whist Club team which has achieved fame and acclaim in the most select circles of bridgedom. She herself comes of a mathematical family. Her father was the late Professor Crawford, author of the high school algebra which has been the standard textbook in Ontario for many years.

Bill, by the way, is Supervisor of Field Service for North American Life. Still in his early thirties, there seems little doubt that before long he will grace a chief executive job in the life insurance world.

* * *

Elliott Dilworth whose wife was credited with the other $1.000 is in the statistical department of Imperial Life. He has been with the company 15 years.

Though seized with the mathematical significance of the task he undertook, his final prize-winning arrangement kept him busy six hours a day from the time the final elimination contest was first announced. He used playing cards, not mathematical formula to get his wife's answer.

Just how many permutations and combinations there are in a crosscard quizz, he isn't quite sure. But he did tell us there are something like 500,000,000,000,000,000,000,000 ways of arranging 25 different cards in different positions.

A Ministry for Selling

Saint John Citizen

Attacking in constructive fashion Canada's complacent attitude with regard to her tourist trade which shows obvious signs of waning, The Financial Post editorially suggests the setting up of a tourist ministry for Canada. Claiming that Canada's tourist effort is too largely diffused, The Post says:

"We have dozens of bureaus and organizations nibbling at the tourist cheese, none of which is capable of taking a man-sized bite. We lack a national plan and national organization to co-ordinate the whole Canadian tourist picture."

With The Financial Post's sentiment we are in hearty accord. In the past, the Governments and people of Canada have allowed themselves to be lulled into a state of complacency by the far from practical belief that the tourist trade is theirs to command. If that ever were the case, it is no longer so. The southern part of the United States, and even Mexico, have within the past few years exhibited increasing interest in the tourist business, and have entered the field in competition to Canada. To counteract this opposition which is a virtual threat to Canada's greatest industry, everything possible should be done to co-ordinate the work now being done at Ottawa and the work being carried on elsewhere in the country. The reign of complacency is over. It is only through the co-operative endeavor of all parts of the country that Canada can retain her present status in the tourist business

Speaking of the possibility of a national ministry for the promotion of tourism suggests the advocating of the appointment of a minister in New Brunswick for the promotion of industry in general. That this province lacks in industries is a well-known fact, and, that this is a retarding influence to progress, is undeniable. There is manifest need of a Government official who would act in a "sales manager" capacity and sell to representatives of industries the advantages of location in this province. Too long we have neglected this need, while, due to our neglect, other parts of the country have benefitted.

The modern age is an era of salesmanship. In order to attract tourists and industries to this province, we must be able to sell to potential customers the attractions of the country, and the benefits to be derived in the locating of industrial enterprises within our borders. We have the goods to sell, but we lack in salesmanship.

Stop Me If . .

"Doesn't that mule ever kick you?"

"No, sah, he ain't yet, but he frequently kicks de place where ah recently was."

The Bren Gun Enquiry

Major Hahn's "Inside Track"
Winnipeg Free Press

Now that the British War Office has overcome its reluctance to release documents regarding its activities which were needed before the Bren gun inquiry at Ottawa, the story of the Canadian Government contract is becoming clearer and clearer.

Special light has been thrown on one important point. It will be recalled that early witnesses before the Royal Commission testified that Major Hahn had the "inside track" with the British Government. How had he got it? This question naturally arose in the minds of many Canadians, for it was no clearer to them than it apparently was to the members of the inter-departmental committee appointed to examine war contracts, why this Toronto promoter should have been so specially favored as to get twin contracts from the British and Canadian Governments for the manufacture of 12,000 guns. How had he got that inside track?

The answer is simply given. He got it because he was given it on a plate by the Canadian government, chiefly through the combined good offices of the Hon. Ian Mackenzie, Minister of Defence, and General LaFleche, his deputy. In the light of Mr. Mackenzie's statements to the House of Commons last July, the disclosures recently made give food for thought.

The important evidence on this point is worth setting out fully.

* * *

On Oct. 9, 1936, Hugh Plaxton, Liberal M.P. for Toronto-Trinity, brought Major J. E. Hahn to the office of General LaFleche. There, most conveniently as things turned out, was a Bren gun, all set up. Major Hahn expressed interest. He said he would like to examine it further. General LaFleche obligingly sent a gun to Toronto with a sergeant-armorer as escort, and there Major Hahn examined it further.

Events then moved fast. On Oct. 20, 1936, General LaFleche wrote to Canada House in London that Major Hahn represented "a reliable group that controls manufacturing plants capable of manufacturing armaments and munitions." This letter was marked "seen by the Minister." On the same day General LaFleche wrote to Dr. O. D. Skelton, of the Department of External Affairs, telling him that Major Hahn had a personal letter of introduction from Mr. Mackenzie to Mr. Massey in London, and enlisting Dr. Skelton's help in view of the fact that Major Hahn was going to London to study the manufacture of arms, particularly the Bren gun. The letter of introduction Major Hahn got from Mr. Mackenzie asked that he be afforded complete data and manufacturing costs on munitions and armaments.

* * *

At this point, it should be recalled that on July 1, 1938, Mr. Mackenzie told the House of Commons that he had never met Major Hahn until after the contract was signed last March. But he gave him a personal letter just the same.

Major Hahn arrived in London about Oct. 29, 1936, but almost at once ran into difficulties. Who was Major Hahn, the War Office wanted to know? Canada House cabled that the War Office would not give information to Major Hahn unless he represented the Canadian Government. This cable was supplemented by cables from Mr. Plaxton (who had gone to London with Major Hahn) urging that proper credentials be provided.

The joint effort had very quick results. On Nov. 10, 1936, the Department of External Affairs cabled to Canada House saying that Mr. Mackenzie asked the War Office to treat Major Hahn as an official Canadian representative in so far as Bren gun manufacture was concerned. This was enough for the War Office, which advised the High Commissioner, on Nov. 17, that arrangements had been made for Major Hahn as the "representative of the Canadian Government." Thenceforward all doors opened before him, as well they might.

* * *

This detailed story makes it easier to understand why, as Mr. Mackenzie related to the House of Commons, Major Hahn "apparently made a favorable impression" on the British.

Why should he not make a favorable impression since Mr. Mackenzie had specifically asked that he be considered an official representative of the Canadian Government? But most people will wonder why Mr. Mackenzie forgot to tell this to the House of Commons. There is a lack of candor here that is distressing and culpable.

It is worth noting, too, that General LaFleche had done his best to join in this big build-up for Major Hahn. He had written, as noted above, on Oct. 20, that Major Hahn "represented a reliable group that controls manufacturing plants capable of manufacturing armaments and munitions." As a matter of fact, his own official, Inspector Alguire, did not report the results of his study of the John Inglis plant until the following day, and that report did not suggest to anyone that the Inglis plant was peculiarly adapted to Bren gun manufacture. The inspector only said that the plant, which had been closed for about six months, was equipped to do heavy engineering work, that the shops would have to be cleared of their equipment if they were to be used for aircraft manufacture, and that it was better adapted for the production of shells, guns and gun carriages. In other words, it was just what it was supposed to be—a boiler factory.

The company that took over the Inglis plant, by the way, was organized in November, 1936, after and not before Major Hahn had been made a Canadian Government representative.

As Others See Us. . . .

New Peace Bridge

Brockville Recorder and Times

"Atticus," English columnist who contributes to The Financial Post speaks of President Roosevelt having crossed the border "to open a new peace bridge at Kingston joining the U.S.A. with Canada."

Lansdowne, Ivy Lea and Darlingside won't like that.

Week in Business

Unseasonable Weather Hits Retail Business

Early Part of October Too Warm for Fall Goods and Agriculture — Recovery in United States Reaching Boom Development

Throughout most of the country many Canadians have revelled in a summerlike October, but not the retail businessman. Unseasonable weather invariably means losses.

Warm days in October and November may sell a little more ice cream and beer, just as freezing temperatures in May and June boost deliveries of coal. But routine business suffers.

If the average man continues to wear summer clothing up to the middle of October he is less inclined to buy a fall overcoat. He is likewise less inclined to buy furnace repairs, storm windows or winter underwear. Sales are necessary to start him buying again and this is precisely the course that retailers have been forced to pursue. But sales of fall goods that should have been sold weeks ago at regular prices, are seldom very profitable.

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Another man who has suffered from unseasonable weather is the farmer, and when he suffers, in the long run the whole country suffers in sympathy. With harvest out of the way weeks ago, what the country needs now is moisture, both to soften the ground for fall plowing and to build up reserves for next spring's seed bed.

In the last week, fortunately, there has been improvement. Colder and wetter weather has been gradually spreading from the west and retailers and farmers will welcome the change.

• • • •

Very shortly, unless something unexpected occurs, there will be talk about an American business boom. Already building in that country is above this time a year ago and steel production, electric power output, manufacturing of automobiles is rapidly catching up. Well within a month, perhaps before the end of October, the level of general business will probably soar above the corresponding period last year.

Most people will feel jubilant, forgetting, of course, that from the end of September until December, last year, things in the United States were going speedily from bad to worse. But the improvement has not all been psychological. Volume now is within 10% of the average of 1937, whereas last June it was running 30% behind. Electric power consumption is well above the 1933-37 average, merchandise carloadings within a point or two.

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Of over 50 factors in The Financial Post business indicators listed below more than half show improvement from the previous month, and of those in the opposite category many are seasonal, like automobiles and construction.

Gain is really more significant than the bare figures indicate, because increases are noted in highly important and basic lines, like carloadings, electric power output, employment and retail sales.

Business Indicators

Current business, completely over recent war scare, now resuming upward improvement. D. B. S. indicator for early October slightly above year ago.

Carloadings continue recent gains, but despite much heavier grain movement, decreases in other categories, keeping level slightly below a year ago.

Railway earnings in October continue to show substantial gains over year ago and cumulative gross revenue for year to date coming close to 1937 period.

Automotive output beginning to register sharp improvement as production of new models commences. Factory output of cars in September well above a year ago, that of trucks moderately down. Exports also down.

Wheat exports in September more than twice total for same month in 1937 and good gains also registered in flour.

Foreign trade — Total export September better than recent months but still slightly below 1937. Lumber off considerably.

Current trend in Canadian business shown by The Financial Post index of business activity, with new figures for the week marked thus▲.

	Oct. 8	Oct. 1	Sept. 24	Sept. 17	Oct. 9/37
Weekly index, D.B.S.	110.4	106.3	108.3	109.3	109.1
Commodity prices	74.2	74.5	74.4	74.5	84.8
	Sept.	Aug.	July	June	Year Ago
Financial Post index	....	109.1	109.0	109.6	123.8
Retail trade index no. of sales	....	....	69.6	81.4	74.2
Dept. store sales "	77.0	74.7	75.3	74.3	79.6
Wholesale index no. of sales	....	98.2	90.0	100.1	98.2
Country sales (% of gains)	....	°0.8	°4.2	1.6	13.7
Employment D.B.S. Index—					
	Sept. 1	Aug. 1	July 1	June 1	Year Ago
All industries	115.5	112.1	113.5	111.9	123.2
Manufacturing	114.4	110.0	111.8	112.3	121.2
Wage earners, No. (000)†¶	....	....	2,308	2,338	2,470
Living costs‖	....	$17.90	$17.45	$17.43	$17.20
Railways—				Jan. 1 to date	
	1938	1937		1938	1937
Carloadings, week (Oct. 8)	▲60,627	61,388		1,845,211	2,010,775
C.N.R. gr. earn., wk. (Oct. 14)	$ ▲4,285,704	$ 4,013,150		$ 139,119,410	$ 154,397,293
C.P.R. gr. earn., wk. (Oct. 14)	$ ▲3,769,000	$ 3,256,000		$ 108,043,000	$ 111,733,000
C.P.R. net revenue (August)	$ 491,021	$ 576,613		$ 3,679,387	$ 9,932,228
C.N.R. net revenue (August)	$ 660,248	$ 558,530		$ •5,116,693	$ 8,185,377
Iron and Steel (August)—					
Pig iron production (tons)	49,477	74,578		504,873	578,258
Steel ingots and castings prod. (tons)	82,781	126,695		837,449	962,840
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (August)	4,591	6,344		71,820	92,465
Factory output (Sept.)	▲4,290	1,926		88,728	117,816
Trucks and Buses:					
Domestic sales* (August)	2,613	2,730		20,265	23,533
Factory output (Sept.)	▲1,799	2,491		34,978	43,855
Exports (Sept.)	▲3,460	4,002		47,092	55,418
Financing (August)—					
Used	$ ▲3,188,821	$ 3,179,395		$ 26,335,209	$ 26,325,602
New	$ 2,484,386	$ 3,187,305		$ 25,231,862	$ 31,281,438
Construction—					
Cons. contracts (September)	$ 19,534,900	$ 21,715,000		$ 143,461,700	$ 178,406,900
Cement, bbls. (July)	644,000	836,669		2,811,885	2,936,588
Clay (July)	$ 468,608	$ 542,545		$ 2,032,696	$ 2,247,378
Gypsum, tons (July)	137,554	125,674		474,748	503,090
Agriculture—					
Flour prod., bbls. (August)	1,103,037	1,042,949		7,542,888	8,191,607
Flour exp., (Sept.)	▲319,739	306,655		2,540,325	3,006,934
Wheat exp., bus. (Sept.)	▲12,614,858	5,903,060		51,912,889	64,774,751
Cattle sales (August)	75,041	125,781		463,017	590,314
Hog sales (August)	41,936	73,754		451,799	670,841
Sea Fisheries (August)‡—					
Catch, cwts.	1,503,750	1,534,420		5,571,330	5,663,543
Landed value	3,378,445	3,200,660		12,017,662	12,579,648
Newsprint (tons)—					
Production (Sept.)	▲231,940	312,220		1,914,660	2,736,050
Exports (Sept.)	▲195,586	308,654		1,719,318	2,528,468
Mining and Oils—					
Coal prod., tons (August)	992,668	1,241,948		8,714,787	9,425,507
Coal imports, tons (August)	1,463,919	1,776,998		7,930,154	9,918,926
Gold prod., fine oz. (August)	▲412,135	349,108		3,051,081	2,672,812
Nickel prod., lb. (July)	17,404,131	15,795,714		126,399,272	127,279,412
Copper prod., lb. (July)	49,607,247	41,750,471		341,656,164	285,484,655
Crude pet. prod., bbls. (July)	693,332	244,931		3,612,757	1,307,544
Crude pet. imp. bbls. (August)	3,776,000	4,508,000		21,294,032	23,578,663
Electric Power Output (August)—					
Total monthly m.k.w.†	2,071,901	2,197,725		16,774,714	18,141,912
Trade—					
Imports (August)	$ 57,026,268	$ 69,965,939		$ 449,541,032	$ 522,777,568
Exports (Sept.)	$ ▲84,082,466	$ 96,216,148		$ 665,019,864	$ 834,972,109
Other Industrial Factors—					
Dressed lumber, exp.:					
M. bd. ft. (Sept.)	▲139,448	223,507		1,208,655	1,427,399
Boot & shoe prod., pr. (Aug.)	2,178,202	2,321,489		14,751,827	16,860,233
Cotton, raw, imports, lb. (Aug.)	8,265,000	5,197,000		79,959,000	97,592,000
Raw rubber imp., lb. (August)	4,104,774	7,852,589		35,465,940	45,599,278
Cigarette cons. (Aug.) No.†	668,798	663,989		4,539,360	4,374,163
Sugar manufactured, lb.§	96,270,679	91,122,789		567,116,974	526,274,941
Finance—					
Bank debits (August)	$ 2,371,129	$ 2,612,858		$ 19,422,568	$ 23,519,603
Bond sales (August)	$ 51,358,000	$ 51,113,800		$ 775,662,361	$ 880,211,365
Life insurance (August)	$ 27,996,000	$ 28,411,000		$ 248,171,000	$ 253,567,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Sept. 10, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
‖For average family per week, food, fuel, rent. •Deficit. °Decrease.
¶Estimated in employment.

Foreign Business

United States Department of Commerce summarizes foreign business as follows:

Japan—Business remains uneasy as a result of the European situation and the sudden resignation of the Japanese Minister of Foreign Affairs; though there has been a marked improvement in silk prices after earlier declines.

China—Excessive rains have injured North Manchuria's wheat crop, as well as soybeans and other grains, and caused some damage in South Manchuria and North China also; building construction extremely active in Shanghai.

India—Business activity somewhat less and considerably under 1937, but confidence is expressed for the near future; sales of automobiles have already increased.

Philippine Islands—Drought in all sections except the south has aroused fear of crop failures, especially of rice, causing shopkeepers to restrict credits; some restoration of purchasing power is expected from Government expenditure for public works.

Italy—Industrial activity has tended to decline from the high levels of the earlier part of the year, and immediate prospects are not encouraging.

Greece—Foreign trade declining, but in the first seven months of the year both imports and exports improved slightly, trade with Germany and to a smaller extent with the United States showing particular gains.

Chile—Declining economic activity remained in evidence during September but the trend was less pronounced than in August.

Mexico — Increased monetary circulation and a stable peso rate were influential factors in augmenting the volume of business turn-over during the past month.

Haiti—A larger coffee crop and benefits to be derived from public works programme imparted an optimistic tone to the outlook in September.

Czech Trade Is Disrupted

Canadian Imports of $3 Millions Yearly May Dwindle

Canada's trade with Czechoslovakia is badly disrupted. It is expected to continue so until definite frontiers between that country and Germany have been determined and rates of exchange on Sudeten area goods have been fixed.

Balance of trade has been heavily in Czechoslovakia's favor. Canada has been importing goods to the value of between $2.5 millions and $3 millions annually and exporting slightly over $1 million.

Trade One-Sided

To Czechoslovakia Canada ships largely copper, a million dollars' worth last year and also some raw leather and asbestos.

From that country we have been getting a long and miscellaneous line of goods. Leading item has been glassware, including common window glass. This import was valued at almost $400,000 last year. We take also substantial quantities of manufactured leather goods, cotton goods, silks and gloves.

Present trade is complicated by the fact that most factories supplying Canadian imports are located in the Sudeten area, while sales offices and financing arrangements centre in Prague. Moreover, many lines of glassware, trinkets and gloves have been handled by international Jewish firms. On this side of the water there is some possibility, too, that customers who bought "Made in Czechoslovakia" goods freely, may not be so keen when they discover that these goods will now be coming from the new Germany.

Christmas Trade Unaffected

Christmas trade this year is not expected to be greatly affected. The goods involved are usually made to buyer specifications, orders were placed long ago, and most shipments have already arrived in Canada.

Regular orders of other lines, however, are being held up and Canadian buyers do not yet know whether or when they can be resumed. Both Czechoslovakia and Germany are on Canada's "most favored nation list," and apparently both will receive the same tariff treatment.

Foreign exchange, however, enters the question and much will depend what final value Germany will place on Czech currency. Until this rate is fixed present quotations on Sudeten-made goods are meaningless.

Background of Business

New Products by Air

New products have been added to Great Britain's bill of fare and new luxuries as well following the development of air communications with the distant Dominions. Current bulletin of Imperial Airways speaks of bringing paw-paws from South Africa to London in 4½ days. This and other highly perishable fruit, it is expected, will soon reach the Old Country in commercial quantities and at fairly reasonable cost.

High-priced flowers such as orchids, are also moving by air and apparently are arriving in excellent shape. They are usually transported in cardboard boxes, reinforced by light wooden battens and the stems wrapped in damp cotton wool.

Gradually the world is becoming smaller as a result of more rapid transportation and with its shrinkage products of all climes will soon be available for the average family no matter where located.

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Non-tarnishing Silver

Harassed hostesses will be glad to hear that recently there has appeared in Great Britain non-tarnishing silverware. A new process was recently demonstrated before the annual gathering of the British Association by a group of Cambridge metallurgists. This consists essentially of covering the surface of the silver with an invisible film of oxides and aluminum or beryllium. These oxides are more familiar under the guise of sapphires and beryls, which are among the hardest materials known. Thus the plate is protected by an invisible film of sapphires which are very resistant to wear or tarnishing and do not detract from the appearance of the silver. Unfortunately, the investigators emphasized that practical application of this discovery may not be immediate as processes which are possible in a laboratory are not always practical for the silversmith.

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Burglaries Increase

Retail store burglaries are on the increase in Canada, according to Hardware and Metal particularly in the smaller towns and villages. Good roads and plenty of fast automobiles have contributed regularly to this increase, it is stated, as no longer vehicles at any hour of the day or night create any special attention. Small retailers have been seriously hit because few of them carry adequate insurance and often lack efficient police protection.

Hardware and Metal urges isolated retailers to take every precaution in regard to locking doors and windows, more co-operation between provincial and village or town police, and also more attention to the problem of adequate insurance.

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Crowd "Stoppers"

Every window display needs a crowd stopper, remarks Bookseller and Stationer. When the display is made up of many small items as is the case of a stationery store this is more necessary than ever. More often than not it is a simple trick that gets the attention. Movement is one of the greatest attention getters. Bookseller suggests floating balloons, mirrors, light diffusion, anything to catch the eye and gradually concentrate it on the various commercial products displayed in the window.

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Maritime Potatoes

Decidedly higher potato prices this year are bringing increased purchasing power to considerable areas in the Maritime Provinces especially in Prince Edward Island and New Brunswick. Crop in the former province is higher than a year ago, but is less in New Brunswick. Total crop for all Canada is estimated at the smallest in over 10 years.

Exports of seed potatoes from New Brunswick to Argentina and other South American countries are not likely to be as large this season as a year ago. At present it is impossible to make any definite estimate of the probable volume but last year New Brunswick exported 558,000 crates of 110 pounds each to South America. The Argentine has a heavy crop this year and as a result prices are down, in sharp contrast to the higher prices being asked for New Brunswick seed. However, as the large yields in the Argentine were due to imported N. B. seed, growers are expected to continue using it in substantial volume.

B. C. Marketing

With Provincial Law Upheld Growers Seek National Scope

From Our Own Correspondent

VANCOUVER.—Agricultural producers of British Columbia, who have been squabbling over marketing plans for a seemingly interminable time, have at last reached a position of comparative security—legal security, at any rate.

No one can predict with any degree of certainty the economic future of those British Columbia farmers who have, willingly or otherwise, become subject to the province's system of compulsory marketing control. That is a question too involved with the trend of world markets to permit more than an opinion; but at least the farmers are safe in the knowledge that they are being regulated by legislation that has the endorsement of the highest judicial tribunal in the Empire.

Seek National Law

The recent decision of the Privy Council upholding the province's marketing law not only validated the existing regulations and solidified the Pattullo Government's attitude, which for years has been in favor of controlled marketing; it sounded the rallying cry for co-operative organizations throughout Canada to join in a campaign for a nation-wide law to regulate the sale and distribution of "natural products" between the provinces and in export markets.

For at least ten years British Columbia has been experimenting with controlled marketing of fruit. One of the first official efforts was made when F. M. Black was brought by the Provincial Government from Manitoba to preside over the so-called committee of direction, with general supervision over sales. This system was eventually abandoned. Other plans were put briefly into effect, but all suffered from opposition of shippers and "sniping" from independent growers.

The present legislation went into effect three years ago, but last year, owing to uncertainty as to whether it would be approved by the courts, the fruit growers worked on a basis of co-operative control, with all shipments being routed through a single desk so as to prevent rebates and price cutting.

Purpose of Act

The purpose of the so-called Natural Products Marketing Act, according to the official phraseology of the original bill, is to provide for the control and regulation in any or all respects of the transportation, packing, storage and marketing of natural products within the province of British Columbia, including the prohibition of such transportation, packing, storage and marketing in whole or in part.

So far, the legislation has applied chiefly to apples and other fruit, milk and other dairy produce, potatoes and vegetables. For a while it was applied to dried and salt herring for the purpose of providing a means of regulating the pack, chiefly marketed in the Orient. It was also utilized in the shingle industry for a while to give the mills machinery for regulating production and supply under the quota laws of the United States.

But most of the controversial points have centred around the marketing of farm produce, especially fruit, dairy produce and potatoes.

The legislation provided for the appointment of marketing boards for various divisions of production and for various districts. These boards were empowered to exercise general regulation of the transportation, packing and distribution of products under their control. They were given authority to prohibit operations deemed contrary to the general purpose of the legislation, namely, to stabilize markets and prevent gluts, congestion and unfair prices. All producers within the areas under control were required to register and take out licenses from the board and to pay the license fees set. The boards had power to cancel licenses for violation of the law and to obtain full information from licensees regarding their operations. Right to search was also given.

The boards also were invested with power to fix prices. Persons who failed to comply with the established regulations were held to be liable, under summary conviction, to a fine of not less than $25 and not more than $500 or to imprisonment not exceeding three months or to both fine and imprisonment.

The ruling of the Privy Council that the provincial law was valid, covers its application to sales within the province. Overseas exports of fruit have never been covered, although the growers have made use of the marketing machinery provided under the Marketing Act as a means of regulating certain phases of distribution.

Other Provinces

The next step will be to extend the principle of compulsory marketing control to other provinces. This would give provincial boards control over the prairie markets, which are of first-rank importance to British Columbia. Efforts will be made to obtain federal legislation to implement the provincial powers, and co-operative growers' organizations in the Prairie Provinces and in some of the eastern provinces have already prepared the ground for a campaign with that objective. The Alberta Government has informed the British Columbia authorities that it will give the whole matter intensive study. The situation with regard to Saskatchewan is not quite so clear, although Premier Patterson is said to have given assurance of early action.

Ontario, Nova Scotia and New Brunswick already have enacted legislation and officials have examined the text of the recent Privy Council judgment with a view to strengthening their own legislation.

Steps are now being taken in British Columbia and in other parts of Canada to obtain the opinion of growers as to whether they want control. Under the legislation upheld by the Privy Council, if a large majority of the growers express a desire for control, the Government has power to give them that control, and the growers themselves are authorized to set up boards of their own with the powers granted them by the law.

Seek To Unify Movement

Representatives of co-operative organizations in British Columbia claim it is not enough to have all the provinces lined up with provincial marketing laws. What is needed, they declare, is a federal statute that will unify the co-operative movement throughout Canada and provide the necessary control over exports.

To obtain this federal legislation it would be necessary to get a judicial ruling different from that which was given to the Dominion legislation brought down during the closing days of the Bennett administration. The Supreme Court and the Privy Council both rejected this measure, and for a while it was feared by co-operatives that the decisions might spell the doom of controlled marketing in Canada. The Privy Council decision in the B. C. case, however, buoyed their hopes that a federal measure drafted along somewhat different lines might be acceptable to the courts.

Hydro Load Rise Larger

Niagara System Shows Gains Above September Last Year

Primary and secondary power load figures for Hydro-Electric Power Commission of Ontario for September are again above the corresponding month a year ago. Of particular significance is the fact that both primary and combined primary and secondary load of the important Niagara system show gains in September. In August, although, Ontario Hydro as a whole showed a small gain, the Niagara system primary load was down.

Seasonal factors are probably responsible for a gain in aggregate peak load for primary power to 1.4 million h.p. for September from 1.3 million h.p. for August. Hydro is now into its period of greatest load each year.

Primary 20-minute peak load for the Niagara system is up 1% in September this year and when secondary load is added the gain is 9.9%. The Georgian Bay system is the only one to fail to show an increase this month. This system did not sell any secondary power and showed a decrease of 3.5% in peak load.

Northern Ontario properties again made an excellent showing. Eastern Ontario had the largest combined gain and second largest for primary load.

System:	Sept., 1938	Sept., 1937	Incr. %
Primary Loads:			
Niagara	1,007,775	997,587	+1.0
Eastern Ont.	126,240	116,743	+8.1
Georgian Bay	30,952	32,063	—3.5
Thunder Bay	95,824	88,003	+8.9
Northern Ont.	132,202	122,971	+7.5
Total	1,392,993	1,357,367	+2.6
Primary and Secondary Loads:			
Niagara	1,218,767	1,108,579	+9.9
Eastern Ont.	158,157	116,743	+35.5
Georgian Bay	30,952	32,063	—3.5
Thunder Bay	136,019	129,584	+5.0
Northern Ont.	178,449	163,587	+9.1
Total	1,722,344	1,550,556	+11.1

Foreign Exchange

The foreign exchange market during the week has been quiet with changes mostly of small proportions. On more recent days there has been a firmer tone in the pound and the French franc in terms of the United States dollar. The strength was said to be due to short covering by speculators who were nervous regarding the possibility of a further advance. Commercial demand was said to be light.

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
Oct. 17	1.00 1/16	1.00½
Oct. 15	1.00 11/16	1.00⅝
Oct. 14	1.00 1/16	1.00 1/16
Oct. 13	1.01 1/16	1.00 11/16
Oct. 12	1.00 11/16	1.00⅞
Oct. 11	1.00 11/16	1.00 11/16

U. K. Pound	Closing	Last Year
Oct. 17	4.81⅜	4.95¾
Oct. 15	4.80⅝	4.96
Oct. 14	4.80⅛	4.95⅞
Oct. 13	4.79⅝	4.95 11/16
Oct. 12	4.79½	4.95¼
Oct. 11	4.79⅝	4.95

Other Currencies, Oct. 17

Australia	3.85¾	Italy	.0534
Belgium	.1716	Japan	.2820
Czecho.	.0350	Jugoslavia	.0237
Denmark	.2154	N. Zealand	3.89
France	.0269½	Norway	.2424
Germany	.4070	S. Africa	4.76
Greece	.0088½	Sweden	.2485
Holland	.5526	Switzerland	.2302
Hungary	.2010	Hong Kong	.2984
India	.3618		

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organization to make such investment suggestions as will best suit the specific requirements of individual clients.

Inquiries are invited at our Branch nearest to you

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COMPANY LIMITED
ESTABLISHED 1896
LONDON - TORONTO WINDSOR WINNIPEG - VANCOUVER

Here's some wise advice you can't possibly follow

"Put your eggs in a lot of baskets."

That is an old investment principle the wisdom of which nobody disputes. But for the average man, there is just one thing wrong with it—he hasn't enough eggs.

Even the man of great wealth finds it difficult to follow the principle of diversification far enough. To do so means that he must spread his money over many different types of investments, over many different industries and in many sections of the country.

But the principle of broad diversification *can* be followed by a life insurance company.

Many factors join hands to form a protecting ring of safety around the money the company invests for the benefit of its policyholders. The dollars invested go only into types of securities defined by wise rules based on the long experience of life insurance companies and embodied in the insurance laws of the Dominion of Canada and of the various States.

A staff of investment specialists, each an expert in his particular investment field, has been drilled for years to consider return *on* the principal secondary to return *of* the principal.

In the course of making investments, a mass of economic information is compiled, weighed, and digested. And the placing of every dollar that goes forth to earn has been checked and cross-checked.

There is no "risk-less" investment. Life insurance companies do, however, achieve maximum safety for their funds, not only by having a very large number of eggs, but also by investigating thoroughly each of the many different baskets into which they put those eggs. *Life insurance offers to the man with only "one egg" a reassuring means of putting that egg into many baskets.*

This is Number 6 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be mailed upon request.

•

Metropolitan Life Insurance Company
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Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE
OTTAWA

Pulp and Paper Industry

View Strengthens Newsprint Price Will Hold

Industry Continues Silent on Subject but Indications Point to no Change in Policy

By JOHN LANGDON
Eastern Editor, The Financial Post

MONTREAL.—Opinion is crystallizing that the price of newsprint will be unchanged in 1939, at least as far as Canadian manufacturers are concerned. One report circulated during the past week was that the price would be reduced to $48 a ton. This caused a reaction in the market value of newsprint securities. Certain discussions have been had on the price schedule for next year, but there is no official word one way or the other, on next year's price.

In other years International Paper has taken the lead in announcing the price structure for the new year. It is more than possible that no such action will be taken this year. Expectations are that the price will remain unchanged at $50 a ton New York delivery base. Manufacturers will likely go ahead and enter into new contracts on this basis. An official announcement of the new price is unlikely; news of the schedule for 1939 will "leak" out in the usual way.

The talk of a possible reduction to $48 a ton is understood to have been disturbing in newsprint circles. This tenseness is reflected in part in the "skittishness" of the market. Probably, too, it also reflects a feeling outside of the industry that the manufacturers may not be able to hold the price at $50 a ton.

So far the major operators have refrained from any public reference to price. Next year's policy is in process of formulation and for that reason everyone is fighting shy of discussing the possibilities attendant upon a change in the existing price structure. However, there has been no end of speculation.

Change Inadvisable

Those who followed the fortunes of this industry year in and year out are unanimous on one point: The industry would be ill-advised to alter the price policy at this juncture. The best possible course of action, it is believed, is to hold the price at $50 a ton.

There are a number of ways of looking at the price question. The manufacturer is interested in securing as high a price as possible for his product. This incentive is all the greater when it is remembered that in recent years the return to the producer has been almost wholly out of line with the capital invested and the general trend of commodity values.

Three points stand out in any consideration of next year's price policy: the advantages in advancing price; the advantages in lowering the price and the advantages in maintaining the price. Any consideration of the advantages naturally brings into play the disadvantages.

Big Jump Last Year

From 1933 to 1935 newsprint prices were on a starvation scale. Not only was there little or no return on capital, but in order to keep in business the operators had to make economies at the expense of their equipment, timber limits, etc. Wholly inadequate wages were paid to workers and, in general, the situation was unsatisfactory. In 1936 the price was raised $1 a ton, bringing little relief. Again in 1937 the price was advanced another $1.50 a ton to $42.50 a ton. The big jump came last year, in 1938 prices. The price was advanced $7.50 a ton, making the cost to the publisher $50 a ton.

There is little argument now but that last year's decision to jump the price $7.50 a ton was a tactical mistake. It allowed Great Northern and other "independents" to undercut the Canadian and American mills adhering to this schedule. And of even more importance it permitted the publishers to stock up with newsprint paper with resulting detrimental effect on operations of the manufacturers this year.

The manufacturers, by and large, would like to see a higher price prevail in 1939, but there are a number of very good reasons why a price advance is unlikely. In the first place there is a large surplus of paper overhanging the market; in the hands of publishers and manufacturers alike. Then, too, there is a surplus of capacity. Further, an advance in price would work serious hardship on a great number of publishers and would embitter the American buyer, the largest purchaser of Canadian newsprint.

Good Profit

Though the manufacturers would hardly admit it, a $50 price will return the producers a good operating profit provided they can increase their operating ratio. The returns this year are not going to be cheerful and certainly will not be a fair index of what the Canadian operators can earn with newsprint at $50 a ton. Given a normal operating ratio, of say 75% to 80%, and the producers should be able to show very fair returns on the present price level.

While there do not appear to be many reasons why the price should be advanced for 1939, there are a number of reasons why it should not be decreased.

Any lowering of the price on next year's deliveries would not be justified from the producers point of view. The $50 price is reasonable and fair considering all the factors entering into costs. Moreover there would be no advantage to the Canadian producers in lowering the price; in fact, there would be very definite disadvantages.

A drop in price would not encourage or bring about an increase in consumption of newsprint paper. The consumption of newsprint is determined by reader interest and advertising and not the price.

In the last couple of years the costs of the manufacturers have advanced appreciably, largely in the case of wages, on the prospect of receiving higher prices for newsprint. To cut the price to $48, as reported in some quarters, would make it all the more difficult for the operators to make ends meet.

No Help in Cut

Of even greater importance is that in giving up $2 a ton, or even $1 a ton, the producers would not be getting anything in return, with possibly the exception of slightly better relations with the publishers and there is no assurance on that point. Any concession made would be at the expense of the industry, workers and security holders. It would not add to the tonnage, but it would seriously affect the margin of profit, which cannot be considered overly large.

On the argument that other commodities have declined in value over the past six months, it can be pointed out that when the advance in the general commodity level was taking place, newsprint practically stood still. The jump in price last year was a relatively big one, but newsprint is still out of line with the general trend. To lower the price, therefore, would be to make the difference even more marked.

Hold to Price

Though the leaders of the industry are not committing themselves at this stage, the opinion is gaining ground that they will endeavor to maintain the price. All of the operators are badly in need of putting a "little fat on their bones" and many millions are needed to put the industry back into first class condition. The long deferred rehabilitation programme cannot be carried out if any further price concession is made. Little is to be gained by doing that. And though conditions are not propituous for an advance in price, there is no sound reason for lowering the present schedule.

From the publishers point of view business conditions are expected to improve. This, in turn, should result in a better volume of advertising. Then again there has been a general increase in circulation rates this year netting the publishers far more than he has had to pay in increased paper costs. His ability to meet the $50 price should strengthen rather than weaken throughout the coming year.

An announcement or the offering of contracts to deliver paper for all of next year at the present price should prove to be stabilizing factor. There is no signs among the buyers of any strong opposition to the $50 price; in fact the expectations seems to be that the price will remain unchanged.

Newsprint prices directly affect operations like these.

Seasonal Gain For Newsprint

Output and Shipments Up — Aggregate Stocks Off But Canada Up

From Our Own Correspondent

MONTREAL. — Canadian newsprint production for September totalled 231,940 tons and shipments 230,346 tons, according to the Newsprint Service Bureau. In the previous month output was 220,203 tons and shipments 204,668 tons and for September last year production totalled 312,351 and shipments 306,548 tons.

American mills report an output last month of 68,315 tons, while shipments amounted to 74,336 tons. This represents an improvement over the previous month when shipments totalled 66,006 and production 67,436 tons.

During September 22,298 tons of newsprint were made in Newfoundland, so that total North American production amounted to 322,553 tons. This contrasts with production of 420,989 tons in September, 1937.

Lower Output To Date

For the first nine months of 1938 Canadian mills produced 821,320 tons less than in the same period of 1937, a decrease of 30%. Output in the United States was 113,301 tons or 16% less than in the like period last year and in Newfoundland 81,293 tons or 30.2% less, making a total decrease for North America of 1,015,984 tons. This was 27.4% less than the output recorded for the like period in 1937.

Mill Stocks Down

Stocks of newsprint paper at the end of September were reported at 196,511 tons for Canadian mills. This indicates a further accumulation of stocks, as at the end of August the supply on hand was 194,917 tons.

American mills reported 17,966 tons of stocks at the end of last month, off from 23,987 tons shown in the August statement.

Combined stocks of Canadian and American mills at the end of September totalled 214,477 tons, compared with 218,904 tons on August 31, 1938.

The Month in Newsprint

	September 1938	September 1937	Year to date 1938	Year to date 1937
PRODUCTION				
In Canada	231,940	312,220	1,914,660	2,736,050
In Newfoundland	22,298	31,037	188,099	269,392
In U. S. A.	68,315	77,847	592,983	707,334
Total	322,553	421,104	2,695,742	3,712,776
SHIPMENTS				
From Canada	230,346	300,815	1,771,003	2,613,809
From Newfoundland	27,788	31,960	173,351	228,628
From U. S. A.	74,336	74,059	590,122	700,000
Total	332,470	406,834	2,534,476	3,542,437
SHIPMENTS FROM CANADA				
To U. S. A.	171,756	240,820	1,301,501	2,062,319
To Canada	12,973	17,629	113,892	151,557
Total	184,729	258,449	1,415,393	2,213,876
To overseas	45,617	42,366	355,610	399,933
Total	230,346	300,815	1,771,003	2,613,809
SHIPMENTS TO U. S. A.				
From Canada	171,756	240,820	1,301,501	2,062,319
From Newfoundland	6,666	11,747	40,422	74,916
Total	178,422	253,567	1,341,923	2,137,235
From U. S. A.	74,327	73,793	589,904	695,541
Total	252,749	326,360	1,931,827	2,832,776
SHIPMENTS TO OVERSEAS				
From Canada	45,617	42,366	355,610	399,933
From Newfoundland	21,078	20,167	132,534	153,281
Total	66,695	62,533	488,144	553,214

STOCKS: NORTH AMERICA

		1938	Normal
All manufacturers:	End of July	272,580	275,146
	End of Aug.	281,809	283,259
	End of Sept.	271,892	*279,530
U. S. A. publishers:	End of July	429,541	326,907
	End of Aug.	437,443	337,335
Aggregate total:	End of July	702,121	602,053
	End of Aug.	719,252	620,594

*Preliminary.

Consolidated Paper Cuts Wayagamack Taxes

From Our Own Correspondent

MONTREAL. — Quebec Appeal Court has reduced municipal valuation of the industrial property of Consolidated Paper Corp.'s Wayagamack plant at Three Rivers from $5 millions to $4 millions. The corporation had sought reduction of the valuation to $1,800,688.

The Appeal Court decision will not affect the firm's tax disbursements to Three Rivers treasury since its municipal taxes are charged on a fixed valuation of $2 millions. Three Rivers school board revenue, however, will be cut by $5,000.

Victoria, B.C.—Collection of taxes to Sept. 15 amounted to $832,650, as compared with $827,424 at the same time last year.

Montreal Stock Values Lower During September

From Our Own Correspondent

MONTREAL—Securities listed and traded on the Montreal Stock Exchange and the Montreal Curb Market had a total value of $7,113 millions at the end of September, a decrease of $53 millions from the previous month when values totalled $7,166 millions. Compared with the end of September a year ago, the total value showed a decrease of $133 millions.

Of the 21 classifications, six were higher and 15 lower at the end of September than at the close of August. Group changes were narrow and September 30 values were mostly well within 10% of the preceding month's figures. Six sections to record improvement were: agricultural implements, automobile accessories, base metals and miscellaneous mines, miscellaneous industrial, oils and transportation issues.

Overseas Sales Better Returns

Improved Newsprint Figures in September — Stocks Still High

From Our Own Correspondent

MONTREAL.—A rise in shipments from Canada to the highest level of the year featured North American newsprint statistics in September, says the Newsprint Association of Canada. Canadian shipments were 25,678 tons or 12.5% above August and 23.4% below September, 1937, against a corresponding decrease of 37.3% in the previous month.

Canadian production, the association goes on to say, also rose by 11,637 tons to 231,940 tons. Production in Canada exceeded Canadian shipments by 1,594 tons and manufacturers' stocks in this country rose accordingly.

Production and shipments by mills in the United States and Newfoundland also increased during the month. Total North American shipments of 332,470 tons exceeded continental production by 9,917 tons and total stocks held by manufacturers declined by this amount.

Canadian shipments to overseas markets were responsible for most of the improvement, arising from 29,654 tons in August and 45,617 tons in September. Sales to United States customers were also higher by 9,607 tons.

September advertising linage in U.S. newspapers was 11.4% below September, 1937. This was the lowest rate of decline in many months and compares with a decrease of 17% in August.

No complete figures of September consumption by U. S. publishers are yet available but preliminary figures from parts of these markets indicate a reduction in the 12.7% loss shown in August.

Advertising Trend Up for September

More Favorable U. S. Returns Reflected in Use of Newsprint

From Our Own Correspondent

MONTREAL.—Newspaper advertising in 52 key cities in the United States continued to climb back to normal in September, according to returns compiled by Editor and Publisher from Media Records measurements.

Actual newspaper linage in 52 cities was 103,869,247 lines in September, compared with 86,801,667 lines in August, 1938, and 117,255,950 lines in September, 1937.

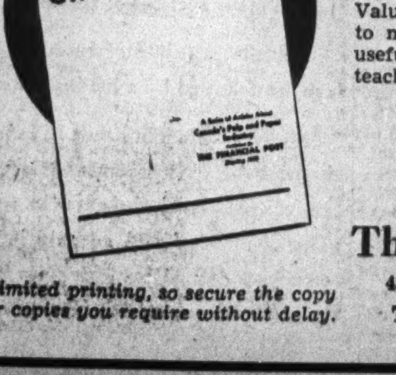
Department store linage held up the best at 94.5% of the September, 1937, figure. All classifications showed a decided rise in total linage from August, except automotive and financial.

Compared with September a year ago, retail advertising was 7.8% off; departmental store 5.5% off; general 19.9% off; automotive 41.7% and financial, 7.2% off.

Windsor, Ont.—It will be necessary to pay to the board of trustees on refinancing a surplus of $705,235, as recorded up to the end of the year the board of control has been informed by the city treasurer. The amount is represented by payments of tax arrears and diverts to the trustees in accordance with terms of the refunding plant. Annual interest requirements of $160,000 are included in the sum.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

MADE SPECIALLY TO PREVENT SORE THROATS
My throat is safe with CRAVEN "A"
Craven "A" are so cool, so fresh, so wonderfully smooth to the throat! You will find their natural cork-tip prevents your fingers from becoming stained and protects your lips.
In the 'easy-access' inner foil pack and sealed fresh in moisture-proof 'cellophane.'
20 for 25c.
ALSO IN TINS 50 for 60c.
Same Price as in England.
CRAVEN PLAIN (WITHOUT CORK-TIP) SAME FINE QUALITY AS CRAVEN "A"
In Green Packets 20 for 25c.
Carreras Ltd., London, Eng.—150 years' reputation for quality C.A.430



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For over 70 years the name Maclaren, in the Ottawa Valley, has stood for fair dealing and a quality product.
Newsprint—Groundwood
270,000 h.p. Hydro Power Installed capacity
MACLAREN POWER & PAPER COMPANY
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ANGLO-CANADIAN PULP AND PAPER MILLS LIMITED
Manufacturers of
NEWSPRINT PAPER
CAPACITY: 600 TONS DAILY
OFFICES and MILLS at QUEBEC CITY
Direct Connection With Both Canadian Railways
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FRASER COMPANIES LIMITED
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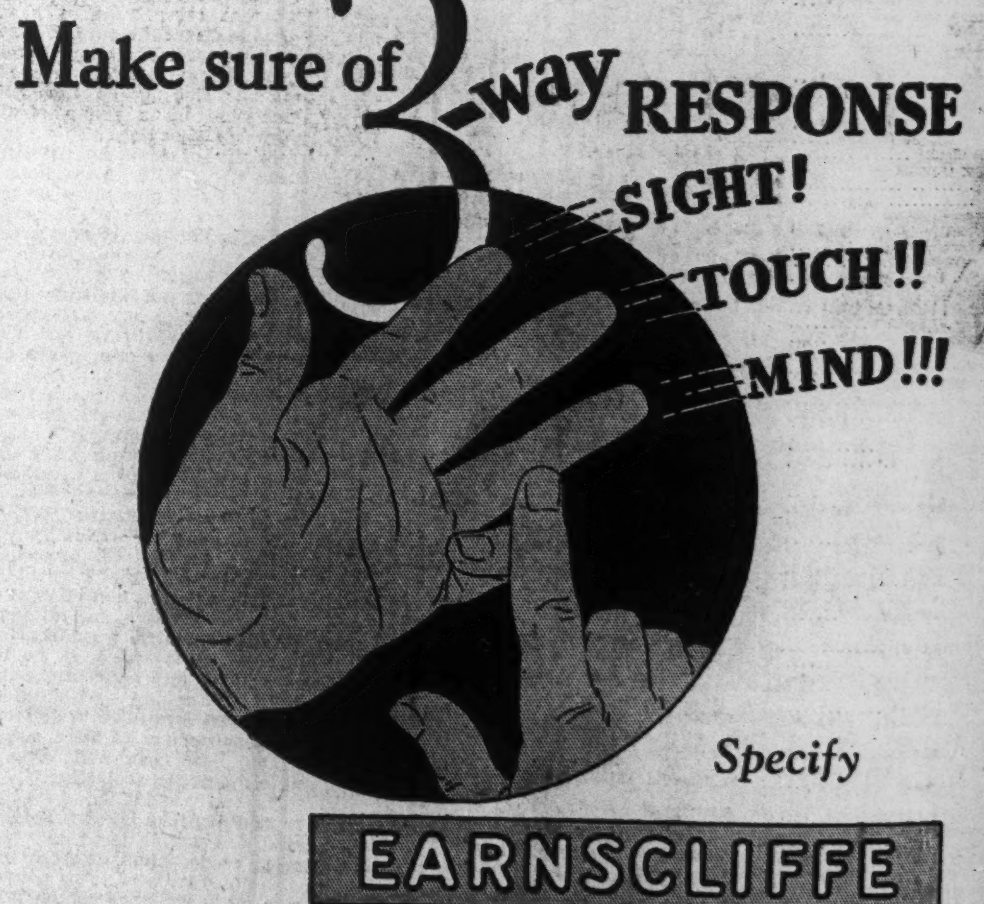
RESTIGOUCHE COMPANY LIMITED
Manufacturers of
LUMBER SULPHITE PULP PAPER BOARD
GROUNDWOOD PRINTING PAPER
BLEACHED SULPHITE PAPER
"RESTICOSE" RAYON PULP
Executive Office: Dominion Square Bldg., Montreal, P.Q.
General Office: Edmundston, New Brunswick

PRICE BROS. & Company Limited
NEWSPRINT and BOARD
Mills : Saw Mills
SULPHITE BLEACHED SULPHITE
FOURDRINIER SPECIALTIES
Newsprint Mills at Kenogami, Riverbend, Jonquiere
HEAD OFFICE PRICE HOUSE QUEBEC CITY


Make sure of 3-way RESPONSE
SIGHT!
TOUCH!!
MIND!!!
Specify
EARNSCLIFFE LINEN BOND
Skepticism is harmless . . . until it becomes a fixed mental habit. But skepticism never alters facts . . . and it is a fact that good business stationery does win customer respect and goodwill. A fact proved daily by prominent business houses in every line . . . with letterheads of "Earnscliffe Linen Bond". Few bond papers meet the three-way test so completely. Few possess the beauty of texture that so pleases the eye . . . the crisp substance that greets the fingers . . . the distinction that impresses minds . . . the unconscious judgment of your House by those with whom you correspond.
Specify "Earnscliffe Linen Bond" to your printer.
This Watermark identifies Rolland papers — made in Canada by Canadian craftsmen.
ROLLAND PAPER COMPANY LIMITED
HIGH GRADE PAPER MAKERS SINCE 1882
MONTREAL
Branch Office: TORONTO, Ont. Mills at ST. JEROME and MONT ROLLAND, Que.

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Nova Scotia Steel

I am interested in purchase of Nova Scotia Steel bonds, 3½%-1963. I have had them recommended to me as a gilt-edged bond for conservative investment. Would you kindly let me have your opinion as to this security?

Nova Scotia Steel's 3½% bonds are regarded as a sound investment medium. Under an agreement entered into between the company and Dominion Steel and Coal Corp., the latter has leased the properties of Nova Scotia Steel and in return pays to the company $225,000 annually. This money is paid to the trustee for the benefit of the bondholders and is sufficient not only to cover interest charges but to liquidate all or the greater part of the issue before maturity. Lease rentals are a ranking charge against the earnings of Dominion Steel and Coal Corp. and for that reason the bonds are regarded as being well secured.

Canadian Marconi

Would you be good enough to let me know the market value and any information you might have as to the standing of Canadian Marconi Co. shares?

Canadian Marconi Co.'s common stock is currently selling around $1.25 a share. There are outstanding 4,554,682 shares, on which the company reported earnings of 5 cents a share in 1937, as against 3 cents a share in the preceding year. No dividends have ever been paid on the common stock. Undistributed earnings in recent years have been used to build up the earned surplus and at the end of 1937 this account stood at $479,233.

Canadian Marconi has been steadily, though not spectacularly, improving its position. The net working capital has advanced from $1,077,547 at the end of 1932 to $1,454,619 at the close of last year. Earning power likewise has shown improvement, advancing from a deficit of $56,618 in 1932 to a net profit of $535,310 in 1937. In recent years the company has extended its operations and the outlook is considered better now than it has been for some time past.

Winnipeg Electric

I should like your opinion of Winnipeg Electric general mortgage bonds as an investment.

The general mortgage series A bonds of Winnipeg Electric Co. are regarded as a businessman's investment. Following reorganization of the company a few years ago, interest charges were brought into line with earning power with the result that earnings have been more than sufficient to cover the interest on the A bonds after depreciation. It is anticipated the company will have no trouble in covering the interest charges on this security.

You do not state whether you are interested in the series A or series B bonds. The series B bonds are on an income basis. Given anything like normal conditions the company should have no difficulty in earning interest on the series B bonds. In 1937 net earnings of the company available for interest on income bonds amounted to $372,391. Interest requirements of the series B bonds are $240,000 annually so that there was a margin of $132,391. In the first seven months of the current year net earnings of the company declined by $63,843. However, income interest should be earned as prospects for the second half of the year are favorable. In fact, net earnings in July were $6,142 higher than in the same month a year ago.

Sao Paulo Bonds

What is the position of Sao Paulo 7% bonds, due 1940?

The State of Sao Paulo defaulted in full in November last on its 7% secured sinking fund gold bonds, due 1940. It had previously defaulted on sinking fund on April 1, 1933. The default resulted from the decision of the Government of Brazil to suspend service on its external debt. The Government claims it is not in a position to pay debt service. If and when exports increase, payments may be resumed. In the meantime the Government will probably seek an even lower rate of interest than was provided by the Aranha scheme.

Drummond Realty

Can you give me a report on Drummond Street Realty general mortgage bonds? What is the present market quotation?

The 5% general mortgage bonds of Drummond Street Realty Corp. are on an income basis. Non-cumulative interest at the maximum rate of 5% is payable annually on Oct. 1 of each year out of net income for the 12 months ended on the preceding April 30. On Oct. 1, 1937, the company paid 5%, but on Oct. 1, 1938, it paid only 2%. We are informed there is no market for the bonds at present and for this reason quotations are not available.

International Paper

What do you think of the outlook for International Paper and Power preferred. I hold the stock as a result of the reorganization exchange of the old 7% preferred and am disturbed by the non-payment of dividends.

International Power & Paper Co.'s income statement this year indicates a sharp decline in earning power. This was expected in view of the drop in consumption of pulp and paper products. On the other hand, International Paper is working itself into a stronger position, and with the return to more normal conditions in the pulp and paper trade, it is possible for the company to establish substantial earning power on its preferred stock. The support of this view is to be seen in the returns for 1937 which indicated earnings of over $10 a share on the preferred stock. As a speculative issue, the preferred stock of International Paper & Power is highly regarded. At present the preferred is over a year in arrears of dividends, and there does not appear to be any prospect at this time of an early resumption of dividends. However, this situation could change about quickly in the event of a pick up in sales, and if you are in a position to hold, it is more than likely that International Paper preferred stock will turn out to be a satisfactory investment.

Dominion Coal

I should like your comments on Dominion Coal 4½% bonds. What is the present market quotation?

Dominion Coal 4½% bonds are presently quoted at 101 bid, 103 asked. The bonds are well regarded and the company should not have any difficulty in earning interest requirements. Subventions on Nova Scotia coal have been a decided help to the company in marketing its coal, but the company is capable of earning interest requirements even without this advantage. In 1937 the company earned its interest requirements 4.88 times before sinking fund and depreciation and 2.23 times after sinking fund and depreciation.

Canadian Car

What do you think of Canadian Car and Foundry preferred as an investment? What are the possibilities of appreciation?

Canadian Car and Foundry Co. 7% preferred stock is favorably regarded. For a time no dividends were paid but regular quarterly distributions were resumed last January. Earnings last year were equal to $4.01 on the preferred, compared with preferred dividend requirements of $1.75 a share. The financial statement for the year ended Sept. 30, 1938, is expected to show a substantial improvement.

There is a good possibility the management will take action toward paying off the preferred dividend arrears, which presently amount to $6.50 a share. In view of the dividend arrears of $6.50 a share, the stock has some chance of appreciating in value. Presently it is selling at $28 a share, compared with the par value of $25.

Ind. Founders Trust

I am planning to take out certificates of Independence Founders Trust. Would you give me a report on this company?

Independence Founders Trust is a semi-fixed type of investment trust. Out of 105 Canadian, British and American companies, 30 have been selected and are held as stock units by the Royal Trust Co. Changes in the portfolio may be made by the trustees, but proceeds of any stocks sold must be invested in either Dominion of Canada bonds or companies in the reserve list, which includes the stocks of the 105 companies originally selected.

A person buying the shares of Investment Founders buys a proportionate interest in each of these 30 companies. Income from dividends paid on these stocks held by the trustees after deducting expenses, is distributed to holders of Independence Founders' shares.

Marketability is apparently provided by two means. Holders of Independence Founders Trust Shares may liquidate their shares into cash at the liquidating value of the underlying stocks at any time and in any Trust Co. We also understand that an "over-the-counter" market on the shares is maintained.

The company has a plan whereby intending purchasers of Independence Founders Trust Shares are able to make regular deposits in form of payments. These payments are made direct to the trustees who invest the proceeds in the trust shares. The trust company concerned in no way guarantees the shares, but merely acts as an intermediary, holding the stocks in the portfolio and handling the funds. If one or more of the installment payments are missed, it is possible to reinstate the certificates by resuming payment within one year. Otherwise, the company can direct the trustees to sell your proportion of the trust shares and deliver the cash proceeds to you, less the deduction provided in the certificate.

Each Independence Founders Trust shares represents an undivided one two-thousandth participating proportionate ownership in the 30 common stocks held in the company's portfolio. The market price for purchase or sale of shares is based on the quotation of the underlying securities.

EXCHANGE MEMBER

D'Arcy M. Doherty, partner in the firm of Doherty, Roadhouse & Co., who has been elected a member of the Toronto Stock Exchange.

Dosco Shares

Please let me have some information on current operations and earnings of Dominion Steel & Coal Corp. Is the company likely to pay any dividends on its stock this year?

Up to the first half of the year operations and earnings of Dominion Steel & Coal Corp. were on approximately the same level as a year ago. Since that time there has been a relatively sharp reduction in the Sydney steel operations due to the deferment of deliveries to the English importers. While this situation will be corrected in time and the contracts fulfilled, still it is anticipated that the income account for 1938 will show revenues on somewhat lower basis than in 1937. However, prospects at this time are that the company will be able to show something on its Class B stock.

As far as can be determined there is no immediate prospect of a dividend on the class B stock. The company has bank loans and in addition there is the desirability of increasing working capital. Further in view of the indefinite outlook, it is likely the management will conserve liquid resources until both earnings and operations are on a better basis.

G. B. & C. Trust

I should like a report on Great Britain and Canada Investment Corp. 4½% convertible debentures.

Except for the year ended March 31, 1933, Great Britain and Canada Investment Corp. has always earned interest on its 4½% convertible debentures. During the past five years earnings have shown steady improvement, debenture interest being earned 1.40 times in the year ended March 31, 1938.

As with other investment trusts, the investment portfolio of the company has suffered severe depreciation. Reflecting the unfavorable condition of security markets, the equity behind the company's debentures declined to $962 per $1,000 debenture at March 31, 1938, from $1,581 at March 31, 1937. Amount of debentures outstanding has been reduced from $5.1 millions in 1932 to $4 millions at March 31 last.

No details are published by the company as to the precise investments in its portfolio, nor is information now available as to the proportion of capital invested in bonds, preferred or common stock.

Building Products

Will you please let me have your opinion on Building Products? I own some stock in this company which cost me 28¼.

Building Products is one of the principal Canadian companies in its field and over a period of years has built up a strong financial position and well-established earning power. At the end of last year the company showed a strong cash position, current assets totalling $2,044,734, compared with current liabilities of only $218,574. Profits in 1937 totalled $3 a share, as against $2.24 a share in 1936. The company paid dividends of $1.70 and an extra bonus of 75c. a share in 1937 and regular dividends of $1.20 and an extra of 75 cents a share in 1936. While a minor decline in earnings would not be surprising in 1938, expectation is that the company will be able to maintain their regular dividend without difficulty.

Montreal Stock Trading Sharply Up Last Month

From Our Own Correspondent

MONTREAL.—Turnover of industrial shares on the Montreal Stock Exchange and the Montreal Curb Market during September showed a sharp advance over the previous month, while mining volume was slightly higher than that for August. Volume was particularly heavy toward the end of the month.

Turnover in industrial shares increased to 947,292 shares from 553,423 shares in the previous month. In September of last year 1,429,523 shares were traded. Mining volume totalled 1,599,720 shares, as against 1,463,229 last month and 2,648,632 a year ago.

Inaugurate Air Express Montreal to Vancouver

From Our Own Correspondent

MONTREAL.—Trans-Canada Airlines, in conjunction with Canadian National Railways express dept., inaugurated air express service this week between Montreal, Ottawa, Toronto and Winnipeg.

The service extends the air express route now in operation between Winnipeg and Vancouver, to establish daily two-way service between Montreal and the Pacific coast.

No attempt is being made in the initial stages of the air express service to lower the elapsed time (25 hours) from Montreal to Vancouver until more experience has been gained by the Trans-Canada Airlines as to the requirements of its patrons. Eastbound, elapsed time will be about 19 hours.

In announcing this additional service by air, G. E. Bellerose, general manager, Canadian National Express, said all traffic now accepted for movement in rail express service, will be accepted for movement in air express service, with certain exceptions such as acids, explosives, inflammables, extremely fragile articles and live freight. Traffic to be accepted will also include bonds, bullion, currency, coins, precious stones, jewellery or other articles of high value when suitably packed.

The air express service includes free pick-up and delivery within the same published limits as applied for rail express shipments. It provides for shipments being forwarded with carriage charges either collect or prepaid. In addition, the handling of shipments C.O.D. is provided for.

Comparison of air express rates with rail express rates indicates the air lines will not make any serious inroads on the business of the railway express companies. Air express rates are so much higher that shipments will be made only by this method where a saving in time is of importance.

Under the special competitive package rate on shipments from one to 25 pounds the railway express companies will carry a one pound parcel anywhere in Canada for 15 cents. By air express the minimum rate which would apply to a one pound package on the same basis, is $1.

On a 25-pound parcel the rail rate from Montreal to Toronto is $1 and the air express rate $3. To Winnipeg the rail rate is $1.50 and the air rate $13. To send a 25-pound parcel from Montreal to Vancouver it will cost just 12 times as much as by rail, namely $24.

T. G. Bright Earns More in Past Year

Net Is Equivalent to $1.25 a Share Compared With $1.09

Annual report of T. G. Bright & Co., largest makers of native wines in Canada, for the year ended July 31, 1938, shows net profits equivalent to $1.25 a share on the 100,000 no par value common shares outstanding against $1.09 a share in the preceding year. Dividends of 30 cents a share were paid in each year, leaving a substantial addition to earned surplus. The company also has 7,811 preference shares of $100 par value outstanding on which the 6% dividend was covered with a wide margin.

The balance sheet as at July 31, 1938, reflects the writing off of the remaining balance in the goodwill account against earned surplus.

Financial position continues strong. Cash is $36,916 and the company also has $203,074 of marketable securities which had a market value of $215,000 as at July 31. Bank advances amount to $319,514, an increase from the $241,156 a year earlier. Inventories of wines are carried at $644,218 compared with $720,850.

Net additions to fixed assets during the year amounted to $63,611 of which $12,893 went for machinery and equipment, $37,593 for farm properties, $10,650 for automobiles and trucks and $2,500 as a deposit against an offer to purchase property. There are mortgages payable on farm properties of $19,631.

The company's annual meeting will be held on Oct. 29, 1938, at the head office of the company, Stamford Township, Ontario.

Consolidated Profit and Loss Account
Years Ended July 31

	1938	1937
	$	$
Net oper. profit	263,208	239,223
Less: Depreciation ...	46,398	41,839
Income taxes	44,900	41,000
Net profit	171,910	156,384
Less: Pref. divds.	46,866	46,902
Com. divds.	30,000	30,000
Surplus for year	95,044	79,482
Add: Previous surplus	211,241	131,759
Less: Goodwill w/o ..	86,265	......
Surplus forward	220,020	211,241

Working Capital

	1938	1937
	$	$
Current assets	1,142,841	1,047,363
Current liabilities	425,914	370,578
Working capital	716,927	676,785

Canada Wire Trade Improves

Outlook for Last Half More Hopeful; Year's Returns May Be Lower

From Our Own Correspondent

MONTREAL.—Canada Wire and Cable Co.'s business is currently reported to be holding up well since the recovery experienced in the second quarter.

Returns for the first quarter were disappointing, but an improvement was noted in the third quarter which was continued in the present period. Volume of unfilled orders presently on the company's books indicates that the fourth quarter should continue at an improved rate.

In the first half of this year the company showed a net profit after depreciation, taxes, etc., of $166,743, compared with $476,966 in the corresponding period of last year. It is too early to determine whether or not the recent improvement will result in offsetting the decline in the first half of the year.

Province of Nova Scotia
3½% Debentures, due November 1, 1950
Price: 100.00 and accrued interest to yield 3.50%

The Honourable Angus L. Macdonald, Premier and Provincial Treasurer, has stated:
"The accrued receipts and expenditures for the first ten months of the fiscal year are within the budget estimate figures."

Descriptive circular, including financial statement, will be furnished upon request.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

SAFETY DIVERSIFICATION MARKETABILITY YIELD

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You are invited to discuss your investment account with us.

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Montreal Trust COMPANY
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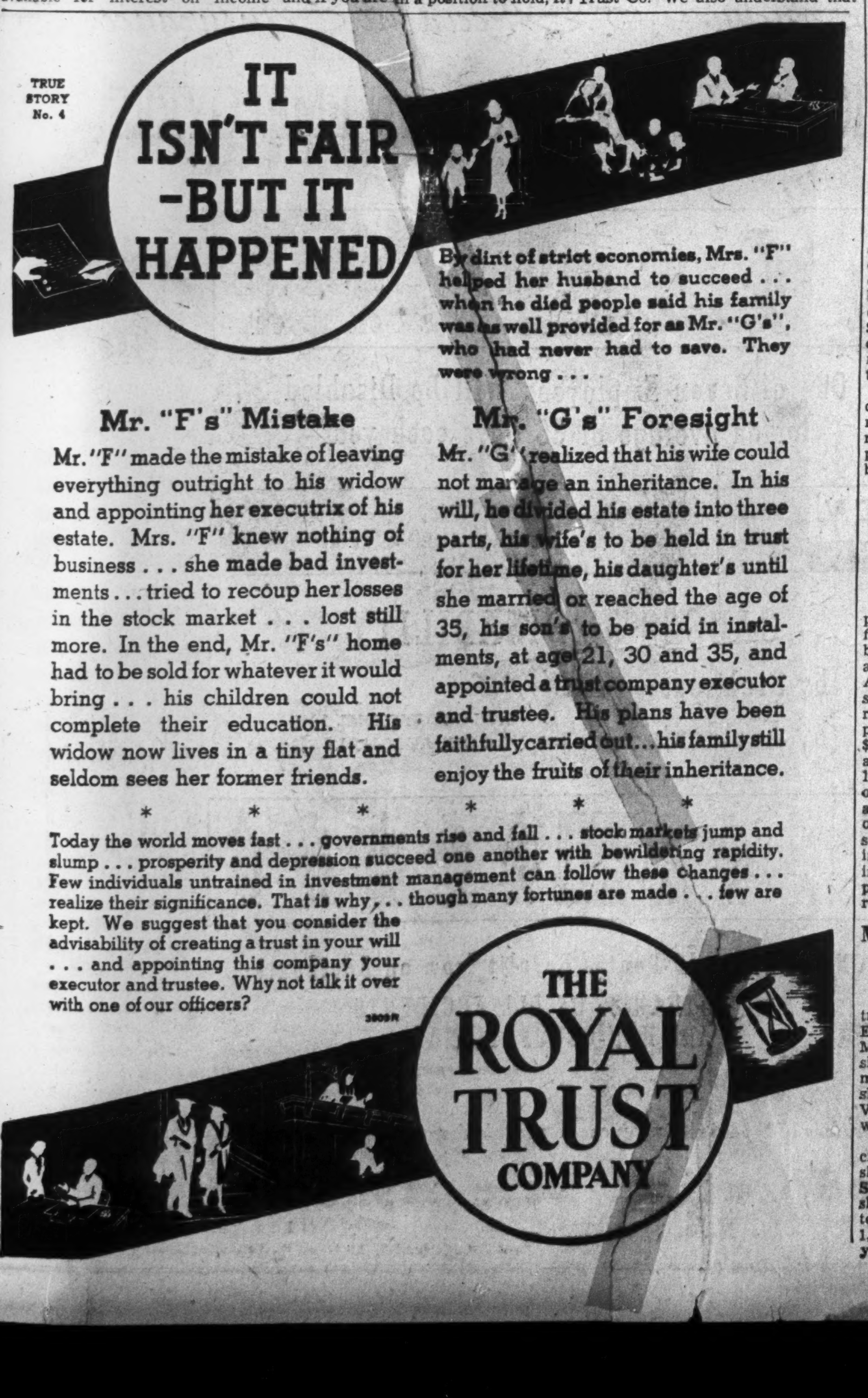
THE ONTARIO LOAN AND DEBENTURE CO.
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000



TRUE STORY No. 4

IT ISN'T FAIR —BUT IT HAPPENED

By dint of strict economies, Mrs. "F" helped her husband to succeed . . . when he died people said his family was as well provided for as Mr. "G's", who had never had to save. They were wrong . . .

Mr. "F's" Mistake

Mr. "F" made the mistake of leaving everything outright to his widow and appointing her executrix of his estate. Mrs. "F" knew nothing of business . . . she made bad investments . . . tried to recoup her losses in the stock market . . . lost still more. In the end, Mr. "F's" home had to be sold for whatever it would bring . . . his children could not complete their education. His widow now lives in a tiny flat and seldom sees her former friends.

Mr. "G's" Foresight

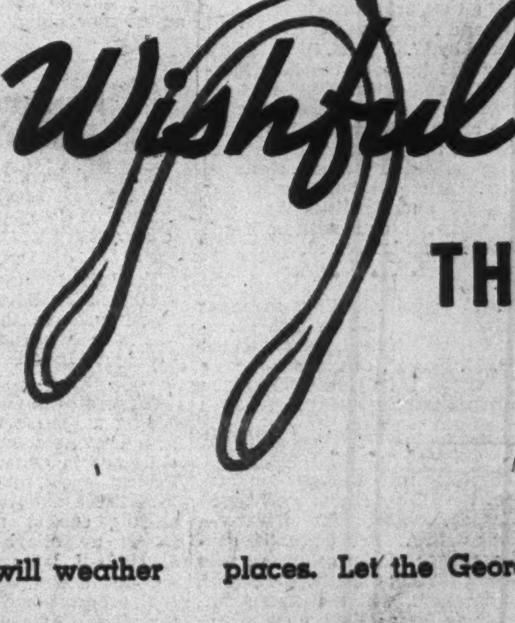
Mr. "G" realized that his wife could not manage an inheritance. In his will, he divided his estate into three parts, his wife's to be held in trust for her lifetime, his daughter's until she married or reached the age of 35, his son's to be paid in instalments, at age 21, 30 and 35, and appointed a trust company executor and trustee. His plans have been faithfully carried out... his family still enjoy the fruits of their inheritance.

* * * * * *

Today the world moves fast . . . governments rise and fall . . . stock markets jump and slump . . . prosperity and depression succeed one another with bewildering rapidity. Few individuals untrained in investment management can follow these changes . . . realize their significance. That is why . . . though many fortunes are made . . . few are kept. We suggest that you consider the advisability of creating a trust in your will . . . and appointing this company your executor and trustee. Why not talk it over with one of our officers?

3809R

THE ROYAL TRUST COMPANY



IT TAKES MORE THAN Wishful THINKING

Hoping that your business will weather any storm, wishing that your company's earnings would increase, will hardly make it an accomplished fact. Something much more definite must be done.

Probably the answer to your problem lies within your own business . . . in management, sales, advertising, production, costs . . . in any one of countless places. Let the George S. May organization find these weak spots and show how more profits can be made and your whole condition strengthened.

May engineers . . . experienced in solving problems in over 2,200 concerns representing 61 industries, can turn wishful thinking into accomplishment. Consult the nearest office listed below.

ENGINEERS
GEORGE S. MAY, LIMITED
TORONTO · 320 Bay Street · · · MONTREAL · 1253 McGill College Ave.

Insurance

May Lift Time Limit On Industrial Risks

Controversy on Limitation of Term for Which Mercantile and Manufacturing Fire Policies May be Written Comes to Head

In an executive session of the Insurance Superintendents Association at Victoria recently repeal of provincial legislation limiting the terms for which fire insurance policies might be written was recommended. This recommendation if carried out would remove a long standing grievance voiced from time to time by the Canadian Manufacturers' Association.

Last week the matter came up again at the Ontario Fire and Casualty Insurance Agents Convention and was discussed by Hartley D. McNairn Superintendent of Insurance for Ontario and some of the delegates to the convention.

Mr. McNairn then intimated that if the companies had any representations to make they should do so now.

The section of the Ontario Act under which the term for which fire policies may be written is known as No. 104 and as this section is comparable with the regulations in other provinces except Quebec, it is quoted here as follows:

"No contract shall be made—
(a) for a term exceeding one year in the case of a mercantile or manufacturing risk, whether on building or contents, or on other property or interest, on the cash plan; or
(b) for a term exceeding three years in all other cases; but any contract may be renewed by the delivery of a renewal receipt or a new premium note."

Mutuals and Reciprocal

This has been interpreted as meaning that insurance could not be written for more than one year on the "cash plan" but by implication provided that it could be written on manufacturing and mercantile risks for three years or less by mutual companies and reciprocal exchanges.

The action of the Superintendent's Association in recommending the repeal of the section brings to a head a controversy which first came to light in 1931.

The Canadian Manufacturers' Association have been asking for removal of the restriction while the suggestion has been opposed just as consistently by the All Canada Fire Federation.

The mutual companies and the reciprocal exchanges which have been doing business on the longer term for years have not shown a great deal of interest in the matter provided that they were not debarred from writing insurance for the longer term.

Arguments of the C.M.A.

In asking for the removal of the restriction to one year, the Canadian Manufacturers' Association argued:

1. It is an unwarranted statutory interference with freedom of contract.

2. It is a restriction that does not exist in the case of any other form of insurance except in the case of automobile insurance (and even there it was noted that the Uniform Insurance Act adopted by the 1931 conference contained no provision limiting the term of an automobile policy).

3. It is a restriction which does not exist in the case of mutual and reciprocal policies.

4. In Great Britain and the United States the restriction does not obtain.

5. If the prohibition were removed in all provinces, insurer and insured would be free to negotiate longer term policies with consequent saving of time and money because of reduced overhead i.e. clerical work would be reduced as well as the cost of the acquisition of business.

6. Their proposal would not compel but merely permit the writing of longer term policies.

All Canada Fire Federation

The All Canada Fire Federation at the Victoria Conference opposed the change on the grounds that:

Removal might well mean an increase in reserves. It would increase competition and might affect rates. There would be a danger of finance companies financing premiums.

Mr. McNairn's View

Mr. McNairn in his presentation before the Ontario Agents Convention stated that there were two main factors to be considered.

One of these was whether the restriction was necessary in order to give proper service to the public.

The other was whether the restriction was necessary in the interests of sound underwriting.

He pointed out that the mutuals and reciprocals had been writing business on the three year term for years past.

In regard to the stock companies, he said, that if they wished the regulation to remain they should make definite representations.

Some of the agents indicated that they were opposed to the removal of the restriction because it might impose an extra burden on them where they had to finance the premium for an indefinite period.

It is pointed out that if the section for which stock companies may write mercantile and manufacturing risks to one year is repealed it will not specify any term for which a fire policy may be written. This will be left entirely with individual insurers as a matter of underwriting.

In Quebec there is no restriction.

Insurance Notes

When a rifle which he was cleaning discharged accidentally, Gaston De Jardin, manager of the Beaver Fire Insurance Company, Winnipeg, and president of Alderson, De Jardin and McDonald, was killed instantly. The late Mr. De Jardin was prominent in social and sporting circles, having won a number of championships at both tennis and squash racquet tournaments at Winnipeg.

* * *

A. L. Crossin, manager of the city loan department of the Mutual Life Assurance Company of Canada at Winnipeg for 15 years has retired. At a banquet in his honor, Wilfrid Carlyle, superintendent of agencies, presided. Isaac Pitblado, K.C., on behalf of the director paid tribute to the services rendered by Mr. Crossin. A. E. Pequegnat, assistant general manager from the head office at Waterloo, Ont, presented him with a writing desk.

* * *

A booklet containing a consolidation of all Ontario statutes referring to fire and fire prevention has been prepared by W. J. Scott, Ontario Fire Marshal. It includes the Fire Marshal's Act and Regulations, and extracts from the criminal code relating to arson. The booklet is available to all fire insurance companies, fire chiefs, and any other interested parties. A model building by-law for small municipalities has also been prepared and will be made available to all interested.

* * *

Robert Lynch Stailing, manager for Canada of the Sun Life Insurance Office Limited, accompanied by D. M. Dewar, casualty manager, is in western Canada visiting the company's agencies and branches in the western provinces.

* * *

Colin E. Sword, manager for Canada of the Union Insurance Society of Canton, is on a tour of western Canada with A. W. Hughes, the general manager of the company, who has been visiting Canada. Mr. Sword, it is expected, will accompany Mr. Hughes as far as Vancouver where the latter will sail for Hong Kong.

* * *

A revised booklet has just been issued by the Institute of Chartered Life Underwriters of Canada giving details of the course of study and examinations leading to the degree of C.L.U.. Information is also included regarding the University of Toronto Extension Course given in co-operation with the institute, books prescribed for study, prices, etc.

* * *

John D. Mason has been appointed supervisor of the casualty section of the Montreal division of the Royal-Liverpool insurance group. Mr. Mason has been associated with the group for 13 years during six of which he acted as inspector.

Sun Life in Syndicate Buys Union Carbide Bonds

From Our Own Correspondent

MONTREAL.—Sun Life Assurance Company of Canada, Prudential Insurance Company of America, and Metropolitan Life Insurance Co., have jointly subscribed for the Union and Carbon Co.'s $40 millions issue of 15-year, 3% debentures, due Sept. 1, 1953.

Proceeds are to be used for redemption of $16 millions of 3½% debentures. The remaining $24 millions will be used for general corporate purposes.

No official particulars are available as to the distribution of the underwriting. However, it is indicated that the larger share of the issue was taken by Prudential, followed by the Metropolitan Life and lastly by Sun Life Assurance.

CASUALTY MANAGER

E. D. Christmas, who has been appointed manager of the newly created casualty department of the Great American Insurance group. Mr. Christmas was formerly with the Commercial Union group.

Cheap Money And Thrift

Low Interest Rates May Necessitate Adjustment in New Life Contracts

In an address delivered before the American Life convention at Chicago last week on "Thrift and Cheap Money," A. N. Mitchell, president of the Canada Life Assurance Company, stated that the fact that many governments are bending every effort within their power to keep the price of invested capital at a low point is without doubt helping to restrict the liberty of the investor and increase his fears. He made it plain he was not discussing the attitude of any particular government or party.

It is thrift alone which creates the necessary capital by which new instruments of production and distribution are financed said Mr. Mitchell. Life insurance is dependent on thrift. He described it as in reality the gathering of the results of thrift into co-operative pools. It undertakes with the thrifty to develop their contributions through use and return them in time of need. Hence the matter of rent for capital is of great importance.

It is possible for Government action so to affect the amount offered as rent for the cumulative results of thrift that the incentive may be destroyed.

As the demand for capital rises or falls so do interest rates in the natural course. But when governments step in and interfere with the natural trend of rates earning power is thrown into pure consumption rather than into saving and thus capital becomes restricted.

Life companies too, he said, are affected by the fact that their arrangements with borrowers are usually for long terms and hence money accepted for investment in times of cheap money has to be invested at the rate of the moment.

He indicated that it is not right to depend too much on favorable mortality to safeguard contracts when interest rates are low. If the adjustment between the rate earned and the rate required to fulfill an insurance contract is so close that it requires a perfect investment as far as safety of principle is concerned then he hinted it was too close.

It might be necessary in fact to adjust new policy contracts.

Insurance Problems

I would be glad to have some information regarding the Pilot Insurance Company as to its financial resources, standing, etc.

The Pilot Insurance Company was organized at Toronto in 1927 and began business that year. Control was later acquired by the Standard Accident Insurance Company of Detroit.

It operates in Ontario and Quebec having a license to do business in both provinces but its chief operations are in Ontario. According to the last report, total assets amounted to $712,600 and total liabilities excluding capital to $365,000. This leaves a policyholder surplus of $347,000. A later report for the six months ended June 30 indicated that progress had been made since that time. Assets at the later date are shown at $769,664 and surplus security for policyholders at $378,192. Claims paid are reported as in excess of $2,800,000. Paid up capital is $270,000. The company, operating under license by the Ontario and Quebec Government is subject to inspection and examination by the Government authorities.

The Standard Accident Insurance Company which controls the Pilot was established in 1884. Its head office is in Detroit. Total assets of the controlling company amounted at last reports to over $20 millions.

Maritime Life Insurance Business Up 10% to Date

From Our Own Correspondent

MONTREAL.—New paid for business written by the Maritime Life Insurance Co. for the first nine months of 1938 shows an increase of 10% over the like period a year ago, according to reports submitted at the quarterly meeting of the board of directors. Increases were reported generally in all departments.

Outlook for the C.P.R. Reviewed

(Continued from page 1)

clerical employees are taking six days off without pay in the next three months.

Other Income Will be Lower

In 1937 the C.P.R. reported net earnings of $40.5 millions available for interest, depreciation and dividends. Of this amount, $23.7 millions was made up of rail net operating earnings and $16.8 millions was classified as "other income."

It can be seen that investments and subsidiary operations are an important factor in earnings of the C.P.R. "Other income" includes not only dividends on investments, but also net income from the railway's hotels and steamships and telegraph system. In 1937, dividends from investments yielded $6.5 millions, ocean and coastal steamships $6.4 millions, and the telegraph system and hotels $2.2 millions. In addition, there was net income from interest, exchange and separately operated properties of $1.7 million.

Income from these sources in the current year will not be as large as in 1937. The falling off in tourist traffic has had an adverse effect upon hotel and steamship earnings. The main dividend source is Consolidated Mining and Smelting Co. The C.P.R. holds 1,682,500 shares of this company's stock and in 1937 received $5.8 millions in dividends on this investment. As prices of base metals have been lower for most of this year, both earnings and dividends of Consolidated Smelters may not be as high as in 1937.

Last year the C.P.R. earned 30 cents a share on its ordinary stock, the highest earnings since 1931. This year it is not likely to have any earnings available for the common. However, it should have no difficulty in earning fixed charges. It has always earned its fixed charges and it has passed through worse years than the current one.

Net earnings of $40.5 millions in 1937 were used to pay fixed charges of $24 millions, to provide steamship and hotel depreciation of $5.2 millions, and to pay interest of $1.8 million on Minneapolis, St. Paul & Sault Ste. Marie Railway bonds, guaranteed by the C.P.R. This year, fixed charges will probably be somewhat higher due to equipment purchases. Hotel and steamship depreciation is a flexible item. As for interest on Soo Line bonds, $2.2 millions will be required compared with $1.8 million last year.

Long-Term Outlook

What of the long-term outlook? Will C.P.R. earnings recover to predepression levels?

Last year, earnings of a large number of the major industries in Canada approximated or exceeded 1929 levels. Railway earnings, however, continue at a relatively low level, recovery from the low of the depression being relatively small.

The peak year of railway operation was 1928. It is interesting to compare results of that year with 1937. Total freight carried by Canada's two major railway systems in 1928 amounted to 98,205,000 tons and passengers carried numbered 33,730,000. This compares with 65,964,000 million tons of freight and 18,024,000 passengers in 1937.

Freight carried by the Canadian Pacific in 1928 totalled 42,977,000 tons, compared with 29,843,000 tons in 1937. Passengers carried in 1928 numbered 14,751,000 as against 7,821,000 in 1937.

Gross operating revenues of the C.P.R. in 1937 at $145 millions were $106 millions lower than in 1928 and $76 millions lower than in 1927. Net income before interest on funded debt, but after steamship and hotel depreciation and rentals, amounted to $29.5 millions in 1937 compared with $61.8 millions in 1928.

Re-establishment of earnings on the 1928 level is difficult to envision at the moment. In any case, the 1928 figures reflect boom conditions. A better comparison would be with 1930, which the railways regard as a more normal year. In that year gross revenues of the C.P.R. amounted to $196 millions. Net income before interest on funded debt totalled $52 millions.

Truck Competition

In attempting to gauge possibilities of earnings recovering to the predepression level, a number of factors must be taken into consideration. The transportation situation in Canada today is not the same as it was in 1928. Even before the depression motor trucks and buses were making inroads on the freight and passenger business. Since then they have taken away additional traffic, and much of this is the valuable short haul freight.

The railways have lost valuable traffic to the trucks but their position as the major transportation agency has not been challenged. In fact, it is not likely their position will ever be threatened. Furthermore, motor truck competition seems to have passed its peak. Through reduced rates and pick-up-and-delivery service, the railways are not only curtailing inroads on their traffic, but in some instances regaining business.

Then, again, the general trend of freight rates since 1929 has been downward. There has been no general reduction, but a large number of rates have been reduced for competitive and other reasons. Thus, should the C.P.R. obtain a volume of freight equal to 1929 and of exactly the same classification, its total revenue would be less.

An offset against lost traffic and lower rates is the reduction in costs.

For instance, a large saving has been made in replacement of rails. Sir Edward Beatty, president, pointed out at the last annual meeting that approximately 5,000 miles of track in main lines were relaid with heavier rail in the 10 years ended in 1930. Prior to and during the greater part of this period the major cause of removal of rail was poor track surface resulting from the battering down of rail ends under traffic. Immediately prior to 1930 the C.P.R. began building up battered rail ends by welding. It is estimated the laying of the heavier rail and the welding will double, and may treble, the average life of rails in the main line. The effect of lengthening the life of rails on maintenance costs is obvious.

Savings Made on Ties

Another large saving has been made by preservative treatment of ties. The C.P.R. has approximately 64 million ties in its various tracks. Prior to 1922 very few of these were treated to preserve them from decay. In that year treatment was commenced on a large scale and has since continued. At the present time 88% of the 16 million ties in the main line tracks, 51% of the 37 million in other main tracks and 26% of the 11 million in other than main line tracks are treated with creosote or zinc chloride. Of all ties in track, 56% are now treated and the percentage is increasing annually.

The average life of these treated ties is more than double that of untreated ties, and may be three or four times that life. In 1928 the C.P.R. required 250 new ties per mile of track while only 165 were required in 1937.

Deferred Maintenance?

It is sometimes suggested the C.P.R. has a large amount of deferred maintenance which will have to be taken care of in the event of an increase in earnings. In this connection, the sharp drop in maintenance expenses during the depression is cited. It is argued the railway showed its fixed charges earned at the expense of its property. This argument appears to be overstressed Many lose sight of the fact there is very definite relationship between maintenance costs and the volume of traffic. To some extent, maintenance expenses will rise and fall with the volume of traffic. Furthermore, one must not overlook that maintenance has been increased steadily from the low of the depression years. It is now within pleasurable distance of 1930, which is considered a normal year. In 1937, the railway spent $20.7 millions on maintenance of ways and structures. This compares with $25 millions in 1930 and $35 millions in 1928. Maintenance of equipment cost $28.8 millions in 1937, compared with $29.9 millions in 1930 and $43 millions in 1928.

Without doubt there is some deferred maintenance which will have to be taken care of when earnings improve. There is also the very important problem of obsolescence to be faced.

Fixed Charges Increase

An adverse factor from the point of view of the ordinary shareholder is the sharp increase in fixed charges. These have risen from $15.3 millions in 1928 to $24 millions in 1937. Thus, net earnings from railway operations and other sources will have to be even larger than in predepression days if earnings on the common stock are to be re-established to their former level.

There will probably be a further increase in the future if and when the volume of traffic becomes greater. The rolling stock of the C.P.R. has been well maintained, but it has fewer locomotives and freight cars than it had in 1929. If business was to recover to anywhere near the 1929 or 1930 level, additional equipment would be required. As is customary, purchase of equipment would probably be financed by sale of equipment trust certificates. Furthermore, at least three of the C.P.R.'s ocean ships are nearing the time when they will have to be replaced.

Soo Line Will Cost Less

A heavy drain on the C.P.R. treasury in recent years has been the Minneapolis, St. Paul and Sault Ste. Marie Railway. Once a profitable investment for the C.P.R., this railway, like many others in the United States, has fallen on evil days. Throughout the depression the C.P.R. made advances to the Soo Line aggregating millions of dollars annually. Against these advances a reserve of $23 millions has been set up.

Last year the C.P.R. paid out of revenue interest of $1.8 million on Soo Line bonds which it had guaranteed as to interest. It also made advances of $3.8 millions to the Soo Line. In the current year total payments to the Soo Line as interest on guaranteed securities will amount to about $2.2 millions. Following this year, however, the maximum annual charge will be $805,830.

The sharp reduction in the cost of the Soo Line to the C.P.R. is due to several factors. In the first place, the C.P.R. permitted the Soo Line to go into bankruptcy late in 1937 and it has no intention of making further advances. Then, again, $71 millions of Soo Line first consolidated mortgage bonds matured on July 1 last. Of this amount, $64.9 millions was guaranteed as to interest by the C.P.R., the annual interest requirement being $2.6 millions.

The above has been written as if no doubt existed as to whether the C.P.R. guarantee expired with maturity of the bonds although principal was not paid. The C.P.R. states it has been advised its guarantee terminated with maturity, but certain U. S. insurance companies do not agree with this view. This difference of opinion may result in a court battle in the future. However, present price of the bonds indicates most investors are of the opinion the guarantee has expired.

Working Capital Lower

In considering the possibility of dividend payments when earnings rise, investors must also remember working capital is substantially lower than before the depression. It is possible, therefore, directors will deem it advisable to strengthen the liquid position of the company before paying dividends. Working capital at the end of 1937 amounted to $40 millions, compared with $73 millions in 1928, $100 millions in 1929 and $68 millions in 1930.

Actually, it is difficult to envision recovery of C.P.R. earnings to the predepression level. Such a recovery could arise only out of a boom of major proportions. It would necessitate not only marked improvement in the internal situation in Canada, but world-wide recovery.

The future of the C.P.R. is primarily tied up with the prosperity of Canada. Unless Canada prospers, the C.P.R. will not prosper. In fact, as was indicated earlier, real prosperity cannot be looked for unless the western farmer is reaping good crops and receiving a fair price for his product. This is true not only because the C.P.R. derives 60% of its earnings from western Canada, but also because there can be no real prosperity in Canada unless western Canada is participating. As there are sound reasons for believing in further growth of Canada's basic industries, there appears to be no reason for pessimism as regards the C.P.R.

While C.P.R. ordinary shares may appear low at present, it must be noted the immediate outlook is not particularly bright. Furthermore, the fact that the stock is listed in New York has had a depressing effect, railway shares there having sold off sharply. Then, again, investors' confidence has not been helped by the campaign for unification. Despite assurances the C.P.R. is well able to stand on its own feet, some have felt the unification proposal arises from fear for the financial position of the C.P.R.

In regard to unification, investors should remember this is always a possibility. Should the finances of the country deteriorate further, the Government might take some action to reduce railway deficits. It is possible, of course, it might decide for unification under Government rather than private ownership. Actually, the investor has nothing to fear from such action as long as he is given the opportunity to share in its benefits.

British investors have always been the largest holders of C.P.R. ordinary shares. During the depression years, when the stock was selling at low levels they increased their holdings, probably with a view to decreasing the average cost of their holdings. At the end of 1937 a total of 19,733 shareholders in the United Kingdom and other British countries, other than Canada, held 54.8% of the ordinary stock. This compares with 42.9% held by 19,299 British shareholders at the end of 1929. A total of 26,044 Canadian shareholders held 16.08% of the ordinary stock at the end of 1937, compared with 18% held by 18,062 Canadians in 1929.

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Banking

Will Armament Race Bring Lower Pound?

Possible Deficit Financing and Unfavorable Trade Balances Carry Hint of Lower European Currencies

News that Great Britain intends to accelerate her armament programme in an unprecedented way, with other nations at least maintaining their schedules, leads to the question as to how the expenditures entailed will be financed, and what will be the affect on the foreign exchanges.

Mobilization itself at the time of the crisis in September was a costly business to all countries which took that step. Now that the immediate crisis is over the financial question comes once more to the fore.

Germany and France, it is conceded, will have to continue borrowing. London is lending Czechoslovakia £10 millions and maybe will lend more. She has announced her intention to remedy all the deficiencies which led to what Winston Churchill calls the unmitigated defeat of Munich.

How is the money to be raised?

As far as the continent of Europe is concerned there is a feeling in some quarters that it can only be done by inflation. The inflation may be concealed but it is claimed by those that take this view that it will be none the less real.

May Revalue Franc

In some quarters it is hinted that France will have to revalue the gold in the Bank of France. Premier Daladier is reported to have definitely declared against the possibility of further devaluation of the franc in terms of sterling, but it is felt possible that some such move may yet be effected. Certain outside observers take the ground that the franc may have to drop below anything previously contemplated unless the Government can put the country back on full-time production.

In any case, if the energies of the European nations are to be turned toward the production of war equipment it will mean that much raw material will have to be imported both for armament and for ordinary consumption purposes.

Production of the ordinary necessities of life may to some extent give way to the production of munitions necessitating the wholesale importation of the former.

Accordingly, unfavorable trade balances would not be a surprising development in the various countries.

While exports from Europe may therefore possibly be curtailed, exports from North America, on the other hand, are liable to be stimulated and accordingly a greater demand for dollars is indicated.

Stronger Dollar Indicated

It is argued from this that between deficit financing and the possibility of unfavorable trade balances, a stronger dollar, in terms of most European currencies, is to be anticipated.

But if United States credits were granted to Europe they would have the effect of moderating inflation on that continent. The question arises, however, would the road be cleared for Great Britain, for instance, to borrow in the United States without first settling her war debts.

In any case with the British people taxed to the limit now inflation is regarded by many as inevitable to finance proposed expenditures. This alone it is argued would tend to bring about a lower pound.

Bank of Canada Weekly Statement

Changes shown in the Bank of Canada statement for the week ended October 12 included an increase in note circulation of $2.3 millions. Deposits by the Dominion Government were down $3.2 millions, while deposits by the chartered banks were $3.8 millions higher.

Among the assets the item which attracted most interests was an increase in the advances by the central bank to the chartered and savings banks to $5 millions. This was $1 million over the week previous. Holdings of sterling and United States exchange increased $1.3 million.

Balance Sheet

	Oct. 12 1938	Oct. 5 1938
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	181,798,922	179,408,274
Rest fund	1,348,414	1,348,414
Depos.: Dominion .	25,135,202	28,342,642
Banks	212,899,791	209,086,765
Other	691,843	652,734
Total deposits	238,726,936	238,082,141
All other liabs.	2,968,030	2,911,721
Total liabs.	429,863,203	426,750,550
Assets		
Reserve: Gold	181,595,356	181,089,521
Res. in sterling and U. S.	33,522,142	32,241,106
Other curr.	705	705
Total reserve	215,118,203	213,331,332
Subsidiary coin	228,148	222,690
Advances	5,000,000	4,000,000
Investments:		
Dom. govt. short .	157,058,882	156,706,595
Other Dom. govt. .	46,492,232	46,877,073
Total invest.	203,551,114	203,583,668
Premises	1,702,224	1,701,713
All other assets	4,263,514	3,911,147
	429,863,203	426,750,550
Reserve ratio	51.15%	51.09%

Weekly Bank Clearings

	Oct. 13 1938	Change Year Ago	Oct. 6 1938
	$	%	$
Halifax	2,154,600	—10.6	2,975,709
Saint John ..	1,441,076	— 5.2	1,860,800
Moncton	726,321	+ 3.7	939,714
Sherbrooke .	668,032	+ 2.8	867,731
Quebec	4,393,940	— 6.5	4,662,043
Montreal	85,376,056	— 8.5	146,765,743
Ottawa	15,583,745	+ 9.1	27,277,638
Peterborough	556,663	+ 2.5	742,771
Toronto	97,451,386	+ 3.6	135,826,291
Hamilton ...	4,105,830	—14.0	6,012,373
Chatham ...	498,337	—51.6	......
Kingston ...	542,857	+ 3.4	797,072
Kitchener ...	870,002	— 4.7	1,344,568
Brantford ...	787,537	— 7.4	1,107,737
London	2,199,456	—16.2	3,366,318
Windsor	2,210,443	—21.5	2,806,480
Sarnia	423,082	+ 6.6	552,226
Sudbury	1,006,574	— 9.4	1,079,733
Fort William	609,714	—10.2	970,510
Winnipeg ...	59,034,992	+41.3	72,336,110
Brandon	379,830	— 1.0	516,815
Regina	5,669,553	+84.8	8,738,086
Moose Jaw .	852,041	+30.0	918,527
Prince Albert	299,244	—24.2	460,686
Edmonton ..	4,369,961	+18.8	5,388,264
Calgary	12,827,633	+89.7	11,584,523
Medicine Hat	336,214	+42.7	488,057
Lethbridge ..	720,017	+19.9	1,000,795
N. W'minster	581,237	—10.7	822,895
Vancouver ..	16,106,355	+ 6.5	23,606,378
Victoria	1,456,569	— 6.7	2,267,132
Saskatoon ..	1,344,000	+ 2.1	2,036,976

Bank of Toronto Dividend

Directors of the Bank of Toronto have declared a dividend of 2½% for the current quarter payable December 1 to shareholders of record Nov. 15.

New Materials for Autumn Wear

In the realm of higher tailoring art, how inadequate the price comparison. Beyond the limits of fine materials there is a rarer qualification, something inherently associated with the name that cannot be imitated. LEVY BROS. clothing expresses its own subtle personality—enjoyed by the wearer—and not measured in monetary terms. Choose your Fall suit or overcoat from our interesting selection of materials.

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APPOINTED MANAGER

Leonard G. Gillett has been appointed manager of the Montreal branch of the Bank of Toronto in succession to J. L. Carson, recently appointed assistant general manager. He has been assistant manager at Montreal for some years, prior to which he was on the head office inspection staff.

Bank Chat

Bank Clearings

Larger bank clearings were shown at a number of cities in both eastern and western Canada for the week ended October 13. Among the gains were those at Winnipeg, Moose Jaw and Calgary. The increase at Calgary was particularly striking, clearings jumping from $6.7 millions a year ago to $12.8 millions last week, a gain of almost 100%. Winnipeg clearings increased from $41.7 millions in 1937 to $59 millions last week an increase of over 47%. Regina which has been showing some good gains since the movement of wheat started reported clearings of $5.6 millions compared with $3 millions last year.

In eastern Canada the greatest gain was at Toronto where clearings amounted to $97.4 millions compared with $93.9 millions. Montreal was lower at $85.3 millions compared with $93.2 millions a year ago. Quebec City, St. John and Halifax were also lower.

• • •

Central Bank Loans

A further increase of $1 million in advances to chartered banks by the Central Bank is shown in the weekly report of the Bank of Canada for the week ended October 12, 1938. This brings the total under this heading to $5 millions against $4 millions the week before.

While it is generally believed that the advances shown are due to borrowing by chartered banks to finance the movement of the wheat crop, there may be other factors at work.

One thing that leads to this belief is that while the demand for cash has been heavier since the crop started to move, the cash resources of most of the chartered banks are considered sufficient to supply requirements, without any very heavy borrowing.

Another explanation is that the advances by the central bank may have been due to refinancing necessary by certain of the Canadian provinces. These, it is thought, finding the market unpropitious for the floating of a refunding bond issue at the time, resorted to borrowing on short term from their bankers. They in turn borrowed from the central bank.

The next monthly statement of the chartered banks is awaited with considerable curiosity as it will probably show some light on the matter.

• • •

This winter the Canadian Bank of Commerce plans to extend its group study plan which was started in Toronto last year. In that city there are nearly 60 branches and it is proposed in the coming months to broaden the course and to take in a larger number of members of the staff. Last year the course included talks on banking subjects by high executives of the bank and on other topics by authorities in the different fields. Branches in other centres are being encouraged to promote similar activities.

Chaleur Power To Issue Bonds

Applies to Quebec Board For Approval of $175,000 Issue

From Our Own Correspondent

MONTREAL. — Chaleur Bay Power Ltd. has made application to the Provincial Electricity Board of Quebec for permission to create an issue of $175,000 first mortgage bonds.

These bonds will be dated June 1, 1937, due June 1, 1952, subject to redemption by lot from Dec. 1, 1944, and yearly thereafter through a sinking fund of 1% per annum.

It is proposed that the bonds will be issued in three blocks, those dated June 1, 1937, to Nov. 30, 1939, bearing interest at 3%; from Dec. 1, 1939, to May 31, 1942, at 4%, and from June 1, 1942 to maturity at 5%.

The purpose of the proposed issue is to provide for the exchange of all the company's presently issued 6% first mortgage bonds, dated June 1, 1928, to June 1, 1943, to the amount of $175,000, such exchange to take place on Dec. 1, 1938, on the basis of par for par.

Can. Invest. Fund Dividend Lower

Pays 16 Cents a Share in Past Year — 20 Cents Previous Year

From Our Own Correspondent

MONTREAL. — Canadian Investment Fund has declared a dividend of 3 cents a share on special and ordinary shares. Previously the company had paid 4 cents in each of the preceding quarters, while 5 cents was paid on February 1, bringing total dividends for the year to date to 16 cents a share. In the previous year a total of 20 cents was paid while in 1936 a total of 14 cents was paid.

A statement from Calvin Bullock, Ltd., managers of the Fund, states that no dividends were received during the quarter from several securities which pay their dividends semi-annually. The latest declaration represents the fourth and final dividend for 1938.

At present the total net assets for securities valued at the market amount to over $8,500,000, a new high for the year. The market value was more than $900,000 above cost.

Lawrence Flour Outlook Better

From Our Own Correspondent

MONTREAL.—September was a very good month for the company, D. A. Campbell, president, told the shareholders of St. Lawrence Flour Mills Co. at their annual meeting. Further, he said he was hopeful that the improvement in business would continue—for a few months at least.

The difficulties last year, he said, were due chiefly to the fact that owing to the short crop it was feared that there would be a scarcity of high-grade wheat with which to maintain the high quality associated with the Canadian product both in the domestic and the export markets. However, the wheat did not run out, but lasted throughout the season.

Mr. Campbell emphasized that the company has adhered strictly to maintenance of high quality for its products and its business is now entrenched because it was built on a quality basis. He was optimistic as to the future of the company, pointing out that it was in a strong financial position and enjoyed excellent trade connections at home and abroad.

The business of the meeting was routine. Reports for the past year were approved and directors re-elected.

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

R. J. WARD, special representative, department of superintendent of Manitoba branches, Winnipeg, to be manager at Fort William, Ont.

H. K. BAIRD, manager at Fort William, Ont., to be manager at Norwood, Winnipeg.

New Books

A Soldier Tells All

ALARMS AND EXCURSIONS. By Sir Tom Bridges. Foreword by Winston Churchill. Published by Longmans, Green & Co., Toronto. Price $4.

A rich and colorful life has been lived by General Sir Tom Bridges. He served in the South African war and the Great War. Promoted in the field to the rank of major general and knighted, he was sent to Washington as military member of the Balfour mission. He headed the late British War Mission to the United States in 1918. In the 1920's he went to Australia as governor of one of the states.

Lieutenant General Bridges has a stump of a leg to show for his service to his country, but he also has many a good tale to spin. Spin them he does, with much gusto, in this story of his life, which is sub-titled "Reminiscences of a Soldier."

Law Digest

MERCANTILE LAW OF CANADA AND NEWFOUNDLAND—By H. D. Anger and Frederick R. Hume. Published by Canadian Law List Publishing Co., Toronto. Fourteenth Edition. Price $5.

Nearly 40 years ago, William Henry Anger compiled for the first time "a Digest of the Mercantile Law of Canada and Newfoundland." His aim was to achieve a practical "code" of the mercantile law, both common and statute, for the use of businessmen and business firms.

Since that time, 12 subsequent editions have been published bringing up to date this important and practical compendium for business and industrial use. The last previous revision was in 1929.

The Digest is essentially a ready reference book of business law written for businessmen. It is prescribed as a textbook by the Canadian Bankers Association, the University of Toronto, and other institutions. It aims to provide an accurate ready-reference on scores of points which come up for judgment and decision in every business and on which some legal knowledge is necessary.

The new edition is enlarged and improved to embrace the very substantial changes in the laws of Canada and the provinces dealing with property, etc., especially those which have been made during the depression. Annual amendments in pamphlet form are obtainable at small additional cost.

Dead and Dormant

MANUAL OF VALUABLE AND WORTHLESS SECURITIES. Volume VI. 1938. Published by Robert D. Fisher & Co., 500 Fifth Avenue, New York.

The late Marvyn Scudder published his first edition of what has since become recognized as the standard reference on dead and dormant companies in 1926. Periodically thereafter further editions were issued. This work was taken over on the death of Marvyn Scudder by Robert D. Fisher who published his first edition, volume 5, in 1937.

Now a new and larger volume has been published which combines with new information all that contained in volume 5. Altogether 200,000 corporations are mentioned in this work. The title of the book is illuminating as is the statement of its purpose. As outlined by Mr. Fisher this manual is "to provide an efficient service of valuable and worthless securities." In addition to lists of companies that have passed out of existence, reports on little-known, dormant corporations, mergers, and companies in liquidation are included.

Trading in Canada

TRADING UNDER THE LAWS OF CANADA—Prepared by the Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce, U. S. Government Printing Office, Washington, D.C. Price 20 cents.

Though primarily designed for the use of American exporters and industrialists interested in the Canadian market there is much condensed useful information here that is suitable for Canadians as well.

After a brief review of Dominion-wide laws the study goes into detail in regard to differences to be encountered in the various provinces. The provincial legislatures have power to enact legislation pertaining to property of civil rights most commercial transactions and activities are governed by the laws of individual provinces.

The book carries a general summary on the various methods of doing business in Canada, Canadian company laws, regulations governing bankruptcy, income tax, and provincial business taxes.

Canadian Wineries Sales Show Gains

Sales of Canadian Wineries so far in the year which began May 1, 1938, have been above last year's levels, it is understood. The company, like other native wine manufacturers, has an important sales period just beginning which will last until the new year.

The company has continued its efforts to improve its products and has recently adopted a new method of making sherry which has been devised by its wine-maker.

Crushing of the 1938 grape crop has just ended. While quantity of grapes harvested this year was less than last year, it is understood that the quality has been higher. Sugar content of the grapes has been better which makes for a greater quantity of better wine.

Last year Canadian Wineries reported an increase of 35% in sales and earned 48 cents a share on its common stock. Its position has been improved by the sale of its former U. S. subsidiary which had been a source of heavy losses since the beginning.

Mechanization Savings Exceed Tariff Costs

Discussing the savings that mechanization has made possible for the farmer in western Canada, James S. Duncan, vice-president and general manager of Massey-Harris Co., in an article on "The Western Canadian Problem" in The Financial Post of October 15, stated:

"The suggestion of the removal of duty on farm implements entering Canada—the political panacea for all agricultural evils—would not have affected the price of wheat during the past few years by one fifth of one cent per bushel."

Through a typographical error this was made to read "would not have affected the price of wheat by one fifth of 1% per bushel." As Mr. Duncan went on to point out, this exceedingly small saving that might have been made through elimination of the farm implement tariff was much less than the 10 cents per bushel saving in costs that is possible through the use of the improved machines engineered by Canadian farm implement companies.

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As no single factor in your business dissipates profits as rapidly as bad debts.
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The West Marches on...

Industry advances in Manitoba and Greater Winnipeg with cheap hydro electric power.
...Installed generating power capacity over 400,000 horsepower.

IN MANITOBA, as in Ontario and Quebec, hydro electric power means industrial progress. The province is rich in hydro electric power resources, both in the sense that today's requirements of home and industry are abundantly provided for by present developments at rates as low as anywhere in Canada, and in the sense that undeveloped power sites ensure ample hydro electric power in the future.

Many important industries have established themselves in Greater Winnipeg on account of the advantages offered not only by the extent of the market in and tributary to Winnipeg, but by the cheap power at their disposal in this area.

Hydro Electric Power in Manitoba

Manitoba is notable for its installed hydro electric generating power capacity. The kilowatt hours generated in 1937 stood at 1,414,956,860 as compared with 1,109,191,750 in 1929. The chief hydro-electric plants are on the Winnipeg River, a little to the east of Winnipeg, with an installed capacity in 1937 of 406,800 horsepower. The ultimate capacity of the present development is 594,000 horsepower. The undeveloped potential capacity on the Winnipeg River is 125,000 horsepower. Undeveloped water power sites in Manitoba are estimated to have a potential capacity of 6,000,000 horsepower.

Average rates compare with the most favorable rates of any other city in the Dominion. Certain rates are the lowest in Canada. In the northern parts of the province, hydro electric power is furthering the development of the rich mineral areas.

With rich natural resources, with an abundance of primary products from the farm, the mine and the forest, industry is well established in Manitoba and in Greater Winnipeg and is pointed towards further growth and expansion.

- *Through its circulation of over 35,000, mostly exclusive, The Winnipeg Tribune offers an essential service in Greater Winnipeg and urban Manitoba to National Advertisers. Full information may be obtained from any recognized Advertising Agency.*

The Winnipeg Tribune
A SOUTHAM NEWSPAPER
A. W. MOSCARELLA—Advertising Director
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Construction

Western Cities Get Most Of Self-Liquidating Loans

From Our Own Correspondent

OTTAWA.—With the single exception of Fredericton, cities in central and eastern Canada have obtained no share of the $2.1 millions so far loaned under the Municipal Improvements Assistance Act, designed to encourage municipal works projects deemed financially self-liquidating.

Of the nine cities which have obtained loans under the Act since it was passed in June, seven are in Alberta and Saskatchewan. The other two are Fredericton and Vancouver.

The unorthodox credit policies of Alberta and the financial difficulties of both that province and Saskatchewan have apparently not acted as a deterrent in allotment of loans to western cities. Under the new Act, which authorizes federal loans up to $30 millions for municipal works, provincial governments must not only approve all projects undertaken but guarantee repayment of loans by the municipalities concerned.

Potential Difficulty

Considerable speculation has been rife on Parliament Hill as to what would transpire in the event one or more of the prairie cities should default in its annual repayment to Ottawa, and the Government should turn to the provincial administration concerned to make good

The potential difficulty is accentuated by the somewhat doubtful character, from the "self-liquidating" standpoint, of some of the projects for which loans have been made. The Act requires that projects assisted must produce increases in net revenues of the municipalities, sufficient to meet the annual interest and amortizing charges on the loans. These revenue increases may result either from savings in operating charges of the municipality or from greater revenues from persons using or benefitting from the projects

Several of the works being carried out under the Act appear to lack the self-liquidating qualification at first glance, but presumably had sufficient claim to this category to satisfy federal officials. At Regina and Calgary, for instance, airport buildings are being built with the aid of loans. Airport developments all over this continent are notorious for their inability to meet carrying charges on financing, and in many cases revenue from them does not even cover operating expenses.

The text of the Act specifically suggests that loans should be made for extension or renewal of municipal utilities such as waterworks or electric systems, though the Act's scope is not limited to such works. But loans went to Calgary for a municipal building, and a municipal garage, and others to Edmonton for street paving and for converting street car lines to bus service.

The principal allotments making up the total of $2,109,000 of loans to date are listed below. Absence of Ontario cities from the list is due to refusal of the Ontario Government to guarantee loans under the Act, and a similar situation is believed to explain non-participation of Quebec communities.

"Self-Liquidating" Loans

City:	Amount	Purpose of Loan
Vancouver	$750,000	Water mains, etc.
	390,000	*
Edmonton	150,000	Converting street railway to bus service
	700,000	Electric substation
	36,185	Local improvement paving
Regina	60,000	Adminis. bldg. for airport
Fredericton	200,000	*
Lethbridge	100,000	Water system
Medicine Hat	26,133	Water system
Calgary	21,300	Water system
	8,000	Municipal garage
	37,500	Airport building
	82,250	Municipal bldg.
	46,950	*
Prince Albert	75,000	Water system
Moose Jaw	200,000	Water system

*Purpose of loan omitted from official list.

"MEN AT WORK!"

The most cheerful sign on the road

★ ★

"MEN AT WORK" is an encouraging, cheerful sign upon the highway.

It is the happiest sign on the business highway too.

Business enterprise, making wise use of banking service, is the mainspring of employment.

The contractor responsible for that "Men at Work" sign gets the job of building that stretch of highway by being the lowest responsible tenderer.

Not always does he have the ready money to buy all the materials, pay wages and build it out of his own resources. He goes to the bank and, having assets and a good reputation, he negotiates such advances as he may need.

He orders materials, sets men to work. As the job proceeds, engineers' certificates enable him to collect from those with whom he contracted, and the work goes on.

The highway finished, the bank is repaid. Such repayments enable the bank to supply credit to other responsible borrowers.

A manufacturer gets a large order, with an early time limit for delivery. With only a hundred men, his factory cannot turn out the articles within the time required. With more men he can do it—but he lacks sufficient cash.

Operating his factory, as a going concern, with a profitable order and having a reputation for integrity, he asks the bank to lend him what he needs to pay wages.

The bank makes him a loan. He takes on more men. They get wages. The goods are turned out, delivered and paid for. The manufacturer repays the bank with the agreed interest.

He has his profit and can spend some money developing new business to keep his men employed.

How does a bank make these advances — where does the money come from?

Banks, having branches throughout Canada, mobilize the surplus funds of millions of depositors, large and small, and, based upon them, make credit available throughout the country as may be required.

Millions of little sums represent the toil, production and lifetime savings of Canadians—your fellow-citizens.

Safeguarding these deposits is the bank's first care.

Deposits of $1,000 or less—most of them much less—are owned by 3,770,000 out of Canada's 4,084,000 savings depositors. The total of all bank savings deposits in Canada is nearly $1,584,000,000; the average savings deposit in a bank is only $387.

Wisely safeguarded by Canada's chartered banks these deposits furnish credit that keeps "men at work" when used by Canadian business and industry—producing new realizable wealth from Canada's great resources. The country and all its people benefit.

In the field of business deposits, out of an average of 660,000 "current" accounts, 596,000 amount to $1,000 or less.

Savings deposits are, primarily, the basis on which banks can make loans.

Only the confidence of the people and their willingness to leave their money on deposit, enable a bank to lend money and—at small profit-margin to itself—serve the community.

We have mentioned the contractor and the manufacturer. The same process stimulates employment throughout the whole fabric of production, industry and commerce.

Loans to agriculture and for marketing agricultural products totalled in 1937, $88,294,000—9.0 per cent. of all ordinary bank loans shown on the return to the Minister of Finance, October 31st, 1937.

Of this sum $57,490,000 went to farmers, cattlemen and fruit raisers and $30,804,000 to grain dealers, seed merchants and grain exporters.

Other bank loans went to municipalities and school districts; wholesalers, retailers, manufacturers of and dealers in lumber, pulp and other forest products; fishermen; fish packers and curers; public utilities including transportation companies; stockbrokers and bond dealers; provincial governments; mining men; churches, parishes; hospitals; and to charitable and religious institutions.

Canada's chartered banks defend and protect the safety of the funds of depositors—the millions of thrifty souls we have described, whose life-savings they entrust to their banks.

No Canadian depositor, through the world-shaking events of recent years, has had to fear for the safety of a single dollar lodged with Canada's chartered banks.

The funds of depositors are their own — not a pool from which everybody may draw at will for any and every new financial experiment.

THE CHARTERED BANKS OF CANADA

Your local branch bank manager will be glad to talk banking with you. He will be glad to answer your questions, from the standpoint of his own experience. The next article in this series will appear in this newspaper. Watch for it.

10R

Construction World

Second-hand Plumbing

Renewal of the four-year campaign of the Canadian Institute of Plumbing & Heating against the uncontrolled importation and indiscriminate sale in Canada of second-hand plumbing-heating equipment, has already gained considerable support. At the recent annual convention of the Quebec Retail Merchants Association, a federal embargo on imports and provincial regulation of sale were urged upon the Dominion and provincial authorities in resolutions. Similar support has been given by the Montreal Master Plumbers Association.

The Institute has based its demand for exclusion or restriction of imports largely on the ground of their unfair competition with Canadian industry and labor. But it has also given considerable study to the question of the threat to health and sanitation in second-hand plumbing, and the unsatisfactory performance of such materials. Much of the equipment is sent into Canada because of restrictive regulations adopted by states and municipalities in the United States, though the Institute also finds that some headway is being made in Canada by "the unsound practice of reselling plumbing salvaged from demolished buildings."

The Institute bulletin adds:

"A number of communities have taken suitable action, but it has been found that in some cases used equipment is being shipped out and resold in rural districts. Apart from the price-saving temptation to home builders of modest means, much of this material, unfortunately, finds its way into rest rooms of service stations and restaurants. It is to be noted with relief that a policy of supervision of sanitary conveniences has been instituted by the larger oil companies."

* * *

Basic Cost for Houses

One difficulty in promoting construction of small, low-cost homes is the absence of convincing demonstration as to what such houses can actually be built for, in different localities. An interesting effort to overcome this obstacle was recently undertaken in Washington by the National Lumber Manufacturers Association, which built eight small houses to determine "basic costs." When the test was completed, these costs were reported as ranging from $2,200 for a "garden apartment" to $3,600 for a three-bedroom house.

By a careful breakdown of its records, the Association believes that such residences can be built and sold commercially in almost any locality at prices about $1,500 above the "basic costs" cited. This estimate allows $600 for the lot, $60 for landscaping and 10% profit for the builder. These figures could probably be halved as far as price of lot and cost of landscaping are concerned, in applying them to the smaller Canadian cities where frame construction would be allowed.

The houses built are without basements, such equipment as the furnace being housed in utility rooms off the kitchen.

* * *

Exporting Contracts

Considerable agitation has been evident in the contracting end of the Canadian construction industry over the Government's call for tenders for erection of the Canadian Pavilion at the New York World's Fair. Terms of the tender call in effect threw the bidding open to both Canadian and American contractors and it was feared that the contract would go to an American concern or one of the few concerns operating in both countries.

Contrary to expectations, the award has gone to a Canadian firm, L. G. Ogilvie & Co., of Montreal. By some means, this firm was apparently able to overcome the difficulties facing a purely Canadian contractor attempting to bid profitably against a concern with facilities in New York.

Prior to the call for tenders, the Canadian Construction Association and other interests in the industry registered a strong stand in favor of limiting the bidding to Canadian firms. As a justifying precedent for such a policy it was recalled that the United States Government had limited bidding to American contractors when the United States Legation building in Ottawa was built. The contract went to a firm with a substantial Canadian organization and a record of considerable activity in the Dominion, but Canadian contractors complain that despite this, an American field squad was sent to undertake the Legislation job in Ottawa.

It is also mentioned that the Italian, German and Russian buildings at the Paris Exposition were built by Italian, German and Russian labor.

The restriction of bidding on the Legation project may constitute a proper cause of grievance to Canadian contractors. If so, it could be argued that enforcement of a similar policy by the Canadian Government would be equally wrong, and at least it would be regarded as such by American contractors. No doubt the chief interest of the Ottawa authorities is in getting the World's Fair building put up as economically and efficiently as possible. On this basis, Canadian firms are certainly entitled to show what they can do in the way of low bids in conformity with the specifications. But the Government probably felt that at the same time it could not afford to shut out tenders by firms established at or near the scene of the job to be done.

The wisdom and equity of this policy have now been demonstrated.

* * *

Highway Marking

Sequin strips for marking highways is the latest wrinkle to be tried out by road builders. According to Engineering & Contract Record, the Ontario Highways Department is experimenting with a centre strip marking which consists of a special paint in which are suspended tiny glass balls, about as large as coarse grains of sugar. In daylight the strip shows up white, but at night the reflection of headlights from the glass balls causes the strip to sparkle brightly, easing the strain of night driving. The current tests are being made on the Yonge Street highway, near Bradford, and Kingston Road near Highland Creek.

Also being tested are rows of glass-studded posts bordering the highway.

New Building

Dominion Dept. of Trade and Commerce has awarded to L. G. Ogilvie & Co. of Montreal contract at $128,893 for construction of the Canadian Pavilion at the New York World's Fair (1939).

City of Montreal has called for tenders on first section of proposed Molson Creek collector sewer. Cost of the section is estimated at $400,000.

Waite Amulet Mines is reported considering expenditure of $1 million for 1,000-ton concentrator plant near Noranda, Que., though possibly a smaller capacity plant will be built at less cost.

School Board of Forest Hill, Toronto suburb, has instructed Forsey, Page & Steele, Toronto architects, to prepare plans for $150,000 school addition.

Dominion Department of Public Works has called for tenders on public buildings at Oakville, Tara, and Barry's Bay, all in Ontario.

From reports of Engineering & Contract Record:

Dominion Dept. of Transport has awarded contract at $75,000 for erection of hangar at new airport near Ottawa.

Caisse Nationale d'Economie has initiated work on $200,000 new building on St. James Street West, Montreal, and the general contractor has awarded a number of sub-contracts.

Bank of Nova Scotia has awarded a number of sub-trade finishing contracts in connection with $100,000 bank building in New Westminster, B.C.

Royal Typewriter Co. is having work started immediately on $100,000 factory and office building in Montreal.

Ronda Mines is having plans prepared for milling plant at West Shiningtree, Ont.

Coca-Cola Co. of Canada is calling for tenders shortly for construction of plant addition at Winnipeg.

Canada Cycle & Motor Co. has awarded contract for addition to factory at Weston, Toronto suburb.

Volume of U. S. Building Continues to Show Gain

Volume of urban building in the United States in September ran ahead of figures for both the preceding month and the same month in 1937, according to Dun & Bradstreet's report on building permits issued in 215 American cities. The cumulative total for the first nine months of this year is 2.3% ahead of the same period in 1937, though elimination of New York City from the total produces a decrease of 14.9%.

The September volume of $101.8 millions represents a gain of over 17%, or of 7.6% after elimination of the exceptional total in New York City. The total is slightly ahead of the August figure, in contrast to the normal seasonal decline of 10% about this time of year. The September gain is the third monthly advance in succession.

Selected-employee training in department stores gives actual experience in nearly all departments.

Personnel Training—No. 3

Drilling the Recruits

Apprenticeship Training is Two-Edged Weeds Out Misfits and Trains New Men

This is the third of four articles on the important function performed by personnel training in Canadian business and industry.

By GUY S. CUNLIFFE, Staff Writer, The Financial Post

Operation of Canadian industry today is keyed to an increasingly high pitch. It has no room for men who lack skill, application to their jobs, or interest in their work.

The best time to eliminate such drags on production, employers have found, is right at the beginning. It is a costly business to keep men on the payroll indefinitely, trying them in job after job, giving them chance after chance, only to have to replace them in the end with new, untrained men.

Consequently there is tending to be more and more stress placed on apprenticeship training, which serves two valuable purposes.

Weeding Out Misfits

Apprenticeship plans function not only in pre-job development of thoroughly trained workers, but as a process of selection and weeding out of unsuitable men. Apprentices who do not carry out their work satisfactorily or otherwise prove unsuitable are subject to dismissal. Systematized procedures for training of prospective workers are not confined to enterprises such as the railways, which require a more or less constant supply of men skilled in traditional trades, but have been worked out in manufacturing plants requiring periodic replenishment of the ranks of specialized artisans.

Definite quotas of apprentices are taken on, for instance, under the apprenticeship system of the Massey-Harris Co. For skilled trades such as tool making and pattern-making, promising youths are drawn from the technical schools and given a four-year apprenticeship course during which they are rotated on a definite schedule through different phases of the instruction so as to give them an all-round training. For the foundry and core-making departments, apprentice recruiting officers look for physical perfection and adaptability to this type of work, rather than a technical school background.

Recruits for Fur Trade

One of the most unusual and interesting courses for apprentices is that inaugurated last year by the Hudson's Bay Co. at its Winnipeg headquarters, to develop specially trained recruits for its 232 fur trading and merchandising posts. Producing the future staff for an essentially Canadian industry, the school was born of the company's belief that modern development of the fur trade, based on sweeping changes in transport, communication and methods of competition, would require planned training of recruits.

Fourteen young men were enrolled in the first group that took the course, which lasts nine weeks and gives instruction in such work as fur grading, merchandising, post accounting, first aid, wireless telegraphy and radio, mechanics and carpentry. Class instruction is supplemented by actual demonstrations and practice, such as that in merchandising in the model trading store set up at the school.

Store Training

Since the Hudson's Bay Co. merchandising is far from being confined to its trading posts in the hinterlands, it was necessary also to evolve preliminary training and staff development methods for the company's stores in Winnipeg and other urban centres. All new store employees, whether taken on as permanent or temporary help, are given instruction in store regulations, the elementals of the store system (sales check, tally, etc.), operations of cash registers, and elementary salesmanship.

For promising young members of the sales staff who seem to be likely material for promotion, possibly to departmental managerships, a preparatory merchandising course lasting two years has been worked out by the company.

The T. Eaton System

A similar system has been evolved by The T. Eaton Company for its stores in various Canadian centres. New sales employees go to school for at least two days after being engaged, to get instruction in making out sales checks and tallies, to learn about the history, methods and policies of the store, and to pick up the rudiments of salesmanship and courtesy.

Promising recruits to the staff, picked from among new employees or by contact with universities and schools, are given a three-months itinerary of training which carries them through most of the basic departments of the store—general office, adjusting, cash office, delivery department, budget plan and deposit account bureaus, sales audit, and finally into the department for which they appear particularly suited. They may end up as departmental sales executives or as junior executives in the general offices.

Training Bond Salesmen

Some financial and commercial houses have worked out their own systems of training employees, both for particular jobs or types of work and for promotion. One of these is Wood, Gundy & Co., investment dealers, whose plan for developing salesmen and executives from the junior clerk stage involves a course lasting from one to three years and giving instruction in virtually every phase of the business. Selecting University men where possible, the company starts them out at the junior desk, licking stamps, delivering bonds and looking after security transfers.

From this point the progression carries them through the accounting and bookkeeping departments, thence to the finance department to learn to make up clients' statements and handle correspondence with clients. The buying department is the first point at which the neophytes get an opportunity to use their judgment and get practice in making bids for security issues—subject to supervision, of course. In the sales department they learn the set-up and methods of the selling unit and are put to work assembling necessary data for use by members of the sales force. Study of markets, yields and values are given in the trading department.

Prepared to Meet the Public

The importance of thorough training before contact with the public is also recognized in the communications industry by the Bell Telephone Co. Prospective switchboard operators are given systematic training before being put on a board to handle actual calls. The company also maintains special training facilities for its plant maintenance workers, and group training lasting several months for those engaged in selling company services.

Belief that adequate training of the "industrial troops," as it were, depends on thorough grounding in fundamentals and technique of the N.C.O.'s is reflected in training programmes which concentrate on training of foremen or department heads. This is done sometimes to the exclusion of other types of training, with the possible exception of apprentice work.

General Motors does considerable work in teaching its foremen how to instruct their men, and Canadian Kodak Co. maintains an elaborate programme for supervisors, department heads and foremen. Printed texts, oral instruction and practical demonstration are all used to educate participants in sound supervision of personnel, and in methods of teaching rank and file workers in application of company policies and adherence to production standards.

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to Executives:

HOW I.A.C. CAN HELP YOU TO
ATTAIN A STRONG, LIQUID, POSITION

MANY Canadian businesses are approaching the end of their fiscal year—approaching the time when they will prepare their annual "statement of affairs."

Companies who sell on a deferred payment plan can present a balance sheet reflecting a strong liquid position by using I.A.C. facilities to convert their deferred payment receivables into cash.

The asset of deferred payment receivables, even though worth 100 cents on the dollar, cannot be profitably employed until liquidated. By converting this item into cash, outstanding liabilities can be retired (particularly desirable at the year-end), and financial affairs placed in condition to take full advantage of whatever business opportunities a new year may bring.

I.A.C. Plans not only increase the earning capacity of each of your Capital dollars by an accelerated turn-over, but they relieve you of the costly and troublesome detail of handling your own collections.

As specialists in the handling of instalment plan contracts our collection policy is both effective and tactful; credit-investigation service prompt and thorough; and other services and safeguards are provided which can only be procured through utilizing the facilities of a company whose sole business is the financing of deferred payment paper.

Industrial Acceptance Corporation is an All-Canadian company, operating complete branch offices in twenty-six Canadian cities and with direct local representatives in an additional four. One of our branch managers will be glad to call and outline our plans and services.

Industrial Acceptance Corporation
Limited
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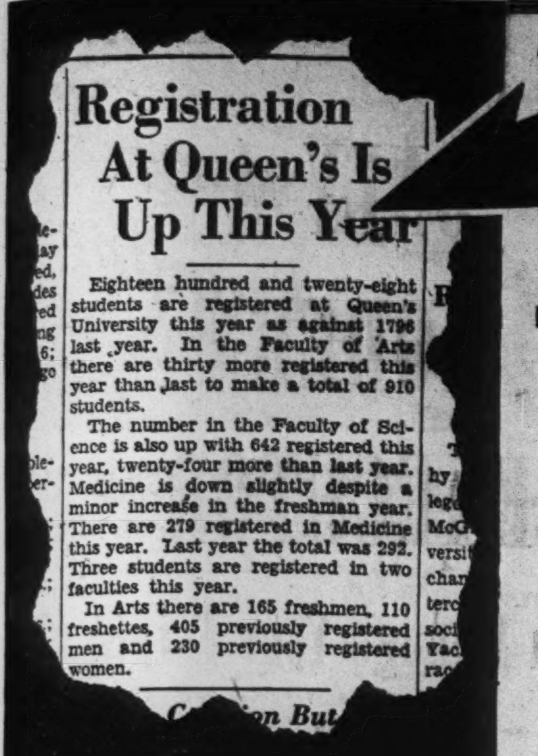
AN ALL-CANADIAN COMPANY — 26 BRANCHES FROM COAST TO COAST



Registration At Queen's Is Up This Year

Eighteen hundred and twenty-eight students are registered at Queen's University this year as against 1796 last year. In the Faculty of Arts there are thirty more registered this year than last to make a total of 910 students.

The number in the Faculty of Science is also up with 642 registered this year, twenty-four more than last year. Medicine is down slightly despite a minor increase in the freshman year. There are 279 registered in Medicine this year. Last year the total was 292. Three students are registered in two faculties this year.

In Arts there are 165 freshmen, 110 freshettes, 405 previously registered men and 230 previously registered women.

Advertising in a College Town Pays Extra Dividends

More Customers for You in Kingston . . . .

Queen's students are back to Kingston — 2,000 of them — young men and women — your customers and ours. It's a matter of simple arithmetic to calculate what they mean to retail sales in Kingston stores — groceries for 6,000 meals a day — 6,000 cups of tea and coffee — 20,000 cigarettes. Figure it out for yourself in silk stockings, shoes or tooth paste. It's EXTRA BUSINESS in Kingston.

Saturday advertisers in The Whig-Standard get a "free ride" for about 2,000 additional circulation. During the football season a Sports Extra is published at 6 p.m. carrying reports of the afternoon's games in Canada.

Business conditions generally in Kingston are good — grain trans-shipment heavy — Locomotive Company busy — military activity expanding — new government dock under construction — schools and colleges filled.

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The Whig-Standard
KINGSTON - ONTARIO
W. J. Coyle, Advertising Manager

Ottawa Car Declares $1 Dividend on Stock

From Our Own Correspondent

MONTREAL.—Ottawa Car Manufacturing Co. has declared an interim dividend of $1 a share, bringing the total declarations to date this year to $6 a share. Payments of $2 a share were made in January and March of this year, while on July 2 an interim dividend of $1 was paid. The latest declaration is payable Oct. 29 to shareholders of record Oct. 22.

No official information has been disclosed on earnings for the current year. However, the company has reported a satisfactory increase in the volume of business and the expectation is that better earnings will be shown for 1938. The company has no funded debt and its capital stock consists only of 11,779 shares of no par value common stock.

Jamaica Public Service Makes Executive Changes

From Our Own Correspondent

MONTREAL.—George W. MacDuff has been appointed vice-president and manager of operating subsidiaries of Jamaica Public Service to succeed the late Alfred S. Nicholls.

Changes in the board of directors are also announced by the company. Lord Hardinge, London, England, and Hartland Molson, Montreal, have been added to the board to succeed the late Mr. Nicholls and Sir William Stavert. Mr. MacDuff also has been added to the board, replacing Julian C. Smith.

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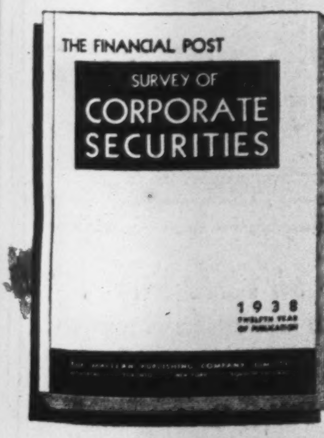

Gives facts as to businesses and properties . . . names of officers and directors . . . balance sheet and income and surplus account for three years . . . price range of stock for past eight years . . . dividend rate and previous payments . . . capital structure and funded debt . . . funds in which bond interest payable.

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Nfld. Revenues Down This Year

Results in Three Months Ended Sept. 30 Are in Line With Forecast

Revenues of the Commission Government of Newfoundland in the first three months of the current fiscal year were slightly more than $300,000 lower than in the same period last year. Receipts in the three months ended Sept. 30 amounted to $2,789,489, compared with $3,103,614 in the same period a year ago.

Lower receipts from customs duties and from the post office and telegraph department are largely responsible for the decline. Customs' receipts are $280,000 lower and postal and telegraph revenues are down $145,000. General taxes collected by the assessor of taxes show an increase of $162,000.

Decline Forecast

The decline is in line with the budget forecast of Finance Commissioner J. H. Penson. In bringing down the budget for the 1938-39 fiscal year he estimated revenues would be about $872,000 lower at $11,402,000. The decline in revenue is due to the recession in business activity.

Expenditures in the first quarter of the fiscal year were up $217,000, amounting to $2,734,341. This also is in line with the budget forecast. Expenditures for the current year were estimated by the budget at $15.3 millions, an increase of $1.7 million. Deficit for the current year was estimated at $3.9 millions, compared with $1.3 million in 1937-38.

Revenue and Expenditure
Three Months Ended Sept. 30

Revenue:	1938	1937
	$	$
Customs	2,153,967	2,440,170
Posts & telegraphs	166,085	311,242
Assessor of taxes	270,477	108,194
Natural resources	31,054	58,728
Other revenue	176,906	185,280
Total revenue	2,798,489	3,103,614
Expenditures:		
General	2,724,246	2,505,801
Debt charges	10,095	12,047
Total expenses	2,734,341	2,517,848

Steel Wares May Call Stock

Newman Neither Denies Nor Confirms Preferred Redemption

From Our Own Correspondent

MONTREAL.—Wide interest has been aroused in the report, still not officially confirmed, that General Steel Wares plans to retire all of its outstanding preferred stock at 110 and accrued dividends, which will net the holder $113.50 a share. On the face of this news, the preferred stock advanced sharply in value, but is still selling substantially below the call price, which would indicate that redemption is not imminent even though under consideration.

John C. Newman, president of the company, is in England and in cabled dispatches is quoted as saying: "All we are doing is consulting some of the larger shareholders." He added he would neither confirm nor deny the reports that the company might possibly call the outstanding $4.5 millions of 7% preferred and replace it with an issue carrying a coupon of 5%.

Under the recent capital readjustment made by the company, the dividend on the preferred stock is cumulative from May 1, 1938. It is understood that the board of directors will meet on Nov. 21 to consider paying a dividend. Expectation is that the company will declare two quarterly dividends placing the stock on a regular basis and cleaning up arrears at the same time.

What's What In Advertising

JEAN R. GEMMELL

R. F. Griffiths, who recently retired from the firm of A. McKim Limited after 35 years of advertising service with that organization, has established a western agency under the name of R. F. Griffiths Advertising Service with offices in the Royal Bank Bldg., Winnipeg.

* * *

The Toronto office of J. Walter Thompson Co. has been appointed to direct advertising of the Kellogg Co. of Canada, London, Ont. This will include the advertising campaigns for Kellogg's Corn Flakes, Bran Flakes, All-Wheat, Rice Krispies and Krumbles. The appointment, it is understood, will become effective Jan. 1 and does not include advertising for All-Bran which will still be placed by Kenyon & Eckhardt Inc., New York.

* * *

Dominion Chain Co. Limited, Niagara Falls, Ont., manufacturers of Weed tire chains, Tropic-Air hot water heaters and Manley automotive shop equipment, will run an advertising campaign in trade papers throughout Canada. Reincke, Ellis, Younggreen & Finn, Inc., Chicago, are in charge of this account.

* * *

At the annual meeting of the Association of Canadian Advertisers held in Toronto, Glen Bannerman, assistant sales manager in charge of advertising for Hudson Motors, was elected president. Vice-presidents chosen were Robert E. Jones, General Foods, Toronto; H. S. Van Scoyoe, Canada Cement, Montreal; C. R. Vint, Colgate-Palmolive-Peet Co., Toronto; and C. B Watts, General Motors of Canada, Oshawa. Other officers elected were G. S. H. Carter, Toronto General Trusts, Toronto, treasurer; Miss F. E. Clotworthy, secretary; and as directors: B. W. Keightley, Canadian Industries Ltd., Montreal; H. H. Rimmer, Canadian General Electric Co., Toronto; E. F. Millard, Ford Motor Co. of Canada, Windsor; K. R. Townsend, Canadian Westinghouse Co., Hamilton; W. O. H. James, The Dominion Bank, Toronto; P. K. Abrahamson, The Borden Co., Toronto; J. W. Doherty, Imperial Oil Co., Toronto; R. E. Merry, Lever Bros., Toronto, and J. E. Mason, Canada Dry Ginger Ale, Toronto.

ONTARIO SALES HEAD

John P. Gilmour has been appointed to take charge of the Ontario sales of Collins & Aikman of Canada Limited, according to an announcement by Colonel F. W. Miller, vice-president and general manager. Mr. Gilmour was formerly in charge of the Quebec territory.

Quebec Power Profits Hold

Returns to End of September Show Gain Held Over Last Year

From Our Own Correspondent

MONTREAL.—Earnings of Quebec Power Co. underwent a minor contraction during the third quarter, but for the nine months ended September 30, 1938, are well ahead of the like period a year ago.

During the past quarter gross revenue totalled $1,081,090, as against $1,090,547 for the same period in 1937. Operating expenses were higher, but were offset in part by lower fixed charges, leaving net revenue before depreciation and income taxes at $314,532. This contrasted with $345,292 for the third quarter last year.

Surplus Over $314,000

Comparative returns for the three months ended Sept. 30, 1938 and 1937, follow:

Three Months Ended Sept. 30

	1938	1937
	$	$
Gross revenue	1,081,090	1,090,547
Expenses	638,542	590,334
Exchange on int.	......	728
Net oper. revenue	442,547	499,485
Fixed charges	128,015	145,358
Amort. bond expense	......	8,835
Surplus before deprec. and income tax	314,532	345,292

Cumulative Gain Shown

To the end of September, Quebec Power had a gross income of $3,131,577, up from $3,028,976 in the like period of 1937. There was an advance of around $134,000 in operating expenses, taxes, etc., while fixed charges were off $[illegible],000. In addition the elimination of bond discount tended to better the surplus, which for the period totalled $898,523, compared with $829,178, before depreciation and income taxes.

Comparative figures on the cumulative returns follow:

Nine Months Ended Sept. 30

	1938	1937
	$	$
Gross revenue	3,131,577	3,028,976
Expenses	1,849,009	1,714,455
Exchange on int	......	2,359
Net oper. revenue	1,282,568	1,312,162
Fixed charges	345,045	449,623
Amort. bond expense.	......	33,361
Surplus before deprec. and income taxes	898,523	829,178

B. C. Power Net On Lower Basis

Returns for Past Quarter on "A" Stock Below 1937 Figure

From Our Own Correspondent

MONTREAL.—B. C. Power Corp. reports lower net earnings applicable to its Class A stock for September and the three months ended Sept. 30, 1938, the first quarter of its fiscal year.

September net earnings applicable to the A stock were shown at $158,317, against $172,913 a year ago, a decline of $14,596.

For the first three months, net earnings available on the A stock totalled over $443,655 against $468,854 for the corresponding quarter of last year.

Earn 44 Cents a Share

Earnings for the three months were equivalent to 44.36 cents a share on the A stock, as against 46.88 cents for the like quarter of last year. Against this the company is paying a quarterly dividend of 50 cents a share.

Comparative earnings figures follow:

September	1938	1937
	$	$
Gross earnings	1,235,736	1,234,222
Expenses	889,319	867,409
Int., pfd. divds., etc.	188,100	193,900
Balance for A stock	158,317	172,913
Three Months Ended Sept. 30		
Gross earnings	3,715,750	3,685,148
Expenses	2,701,693	2,634,592
Int., pfd. divds., etc.	570,402	581,702
Balance for A stock	443,655	468,854

Enjoy a Second helping of Summer

YOU haven't had enough of summer we mean the summer of the Seaside Hotel. Then come on down for a second helping. The weather is warm but not wilting. Enjoy the verve of the Surf 'n Sand Room and the Seaside's way of cooking things. Rates have dropped since summer.

Harrison Cook, Res. Mgr.

The Seaside
ATLANTIC CITY

Who is Making Bren Probe A Political Trial?

(Continued from page 1)

ston's odd attitude," The Ottawa Journal says:

"Col. J. L. Ralston is apparently under the impression that the judicial enquiry into the Bren gun contract is a court trial and that his own role before it is that of a defense counsel. Thus, taking exceptions to certain comments of Mr. Justice Davis, the Royal Commissioner, Col. Ralston said:

> This is a political trial. It is being tried in the newspapers and by the public. I think we should keep our minds open and not express views which go out to the newspapers as conclusions and become subjects for editorials.

"If Col. Ralston were not an eminent member of his profession the attitude he thus reveals (or betrays) would be understandable. As his legal and intellectual equipment ranks him high above the type of Crown prosecutor who thinks that his job is to convict, his position is extraordinary.

"This Bren gun enquiry is not a trial—least of all a political trial. Nobody has been charged with anything. Nobody is being tried for anything. What has happened, and all that has happened, is that the Government has appointed a commission to find out whether the Bren gun contract is a proper contract. In effect, therefore, this is merely an enquiry into a phase of government administration—instigated by the Government itself.

Misconception

"Col. Ralston was retained to assist in this enquiry. Not to defend somebody being tried for something, nor to shield somebody or something, but to bring out certain facts, be they good or bad, which the Government wants brought out. To speak of that as a 'trial,' or as a 'political trial,' is to show a misconception of the position that is extraordinary to say the least.

"A victim of this misconception. Col. Ralston objects to Mr. Justice Davis commenting upon things disclosed by certain evidence and documents before the Commission, says these comments 'go out to the newspapers as conclusions and become subjects for editorials.'

"Conclusions about what? Mr. Justice Davis has said nothing about the Bren Gun contract itself—not a word to indicate whether he thinks it a good contract, or a bad contract, or whether he has come to any thought about it at all. Nor has any newspaper. Mr. Justice Davis has simply remarked upon certain administrative acts and matters in connection with the negotiations leading up to the contract—matters which, revealed by evidence and documents, call for comment whether the contract itself is shown to be good or bad. They call for comment by the Judge as an indication of doubts in his mind that should be cleared up.

"Newspapers have offered reasonable comment in precisely the same way. Is it Colonel Ralston's idea that the press of this country should be precluded from discussing aspects of government administration?

"Newspapers, in common with Mr. Justice Davis and the public, have been having difficulty in understanding the delay in getting on with this Bren gun enquiry—in understanding the round-about procedure, the waste of time over technicalities and non-essentials. Colonel Ralston's revelation that he considers this a 'trial' and himself a sort of counsel for the defense, at least makes it possible to know what a lot of this delay is about."

Swiss Investments

(Continued from page 1)

the way can be found to open channels of daily communication between Canada and Zurich and Geneva.

Zurich is, per capita, probably the wealthiest city in the world. It is the headquarters of the large Swiss banks and insurance companies. There are 320,000 people of whom more than 4,000 report officially to the Government assets of one million Swiss francs (about $250,000) or more. There are no slums and no tumble-down dwellings.

Evidences of wealth are on hand. The Dolder Grand is a palatial hotel, like a Canadian Rocky Mountains resort, and it is only one of 60 hotels. The shops are similar to those of Paris. On the mountain slopes rising from Zurich Lake are palatial homes. Much of the architecture is smartly modern but the old buildings are so cleanly kept that one has difficulty telling whether a building is five years old or 250 years old.

In 1939 Zurich will be the home of the Swiss National Exhibition, which will compete with the World's Fair at New York. This, it is hoped, will give impetus to tourist travel which has been coming back slowly since the devaluation of the Swiss franc made it possible again for the visitor to come to Switzerland at reasonable cost.

I came to Zurich chiefly because of the difficulty of obtaining accurate and reliable information in Berlin on the economic and financial position of Germany. Here the bank economists are experts on Germany. They have to be because they have so much money in Germany—mostly in the form of assets frozen under the Stillhaltung agreement.

Many Refugees

Here, too, are many refugees—not all as starved and poverty-stricken as that word suggests. Just this side of the German border in Switzerland one sees the tents and huts of Jews who have fled Austria and Germany, bringing little with them. But in Zurich, the hotels are doing a thriving trade, catering to well-to-do refugees who knew the "tricks of the trade" whereby capital could be got out of Germany. They have money, lots of it, and are making Zurich the headquarters from which they direct the activities of what is left of their businesses in Germany and while they decide what their next move may be.

How can capital be got out of Germany? I am no expert in money-smuggling, but I was told of a few ways it has been done. Here is one. A Jewish-owned manufacturing firm in Germany will sell, let us say, $100,000 of merchandise through an agent in London. Then the agent will report that the goods were not as ordered or that they were damaged in transit. There will be endless communications and finally agent will report that he has had to sell the goods at a loss of $15,000 or $20,000. It is difficult for the German currency police to check on the facts and the result may be that the German has tucked the $15,000 or $20,000 away in a London bank.

One by one the loop-holes have been closed and the only refugees who have come out with any money are the ones who started three or four years ago to move their capital out by devious channels.

Refugee Sales Depots

There are refugee sales depots operated with much secrecy in Switzerland. If you want to buy a $600 Leica or Contax camera at $300 or a diamond ring at a similar reduction, you can, by a little enquiry, find out where to go. The transaction represents a serious loss for the refugee who brought the camera out of Germany but half a loaf is better than none when one is homeless and has no money except in a country that will not let one bring it out.

Switzerland welcomes outside capital. It is on balance, however, a large exporter. And it does not want idle cash. Its banks are not allowed to accept foreign deposits. Switzerland has no desire to be subjected to the inflationary influence of volatile "hot" money.

Cedar Rapids Power Gets Assessment Reduced

From Our Own Correspondent

MONTREAL. — Property assessment of Cedar Rapids Manufacturing and Power Co., subsidiary of Montreal Light, Heat and Power Cons., has been fixed at $2 millions.

Assessment has been set by a judgment handed down in the Circuit Court here by Mr. Justice Bumbray with the consent of both parties. The judgment results from action taken by the company against the municipality of the Parish of St. Joseph de Soulanges, to have its assessment reduced from $3 millions.

During the past 10 years the company had a fixed assessment of $2 millions, but it was raised to $3 millions when the fixed assessment expired this year. The company claimed the increased assessment was unfair and unjustified as the property had depreciated in value during the 10 years and was not worth more than $1 million.

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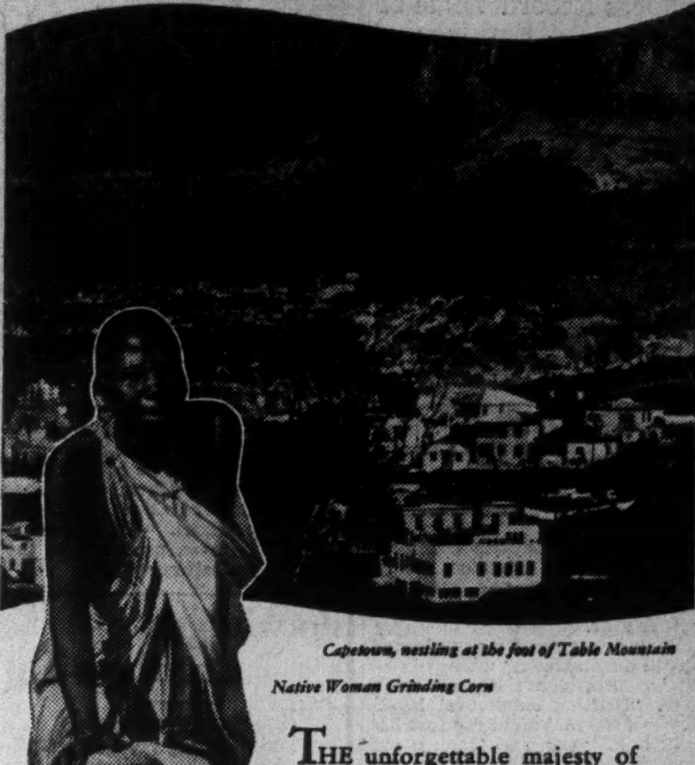

Capetown, nestling at the foot of Table Mountain

Native Woman Grinding Corn

THE unforgettable majesty of vast Victoria Falls . . . the jagged pinnacles of the Drakensberg . . . on Nature's grandest scale are the fabulous gold and diamond mines of the Rand and Kimberley . . . the lush beauty of flowers, the boon of sunshine.

Here, are the cave drawings of the bushmen and strange ruined citadels. And here industrious people have raised great modern cities. South Africa enchants the visitor . . . calls you to happy days. Details await you at your travel bureau.

Thrills of the Primitive in Civilized Comfort

South Africa

Your TRAVEL AGENT

SAVES YOU TIME and MONEY

● Whether your trip is for business or pleasure, your Travel Agent can help you. His services cost you nothing. We suggest you go by French Line, and enjoy luxurious travel at no extra cost.

New York to England and France, and thus to all Europe: PARIS, November 5, December 17; NORMANDIE, November 12, 26; ILE DE FRANCE, November 19. Fly anywhere in Europe via Air-France.

SEE HIM SOON TO ARRANGE THAT FALL OR WINTER TRIP ABROAD

French Line
375 Bay Street, Toronto
1196 Phillips Place, Montreal

IT'S TRUE! . . .

A COMPLETE Fall WEEK-END

ROOM BATH MEALS Friday to Sunday $10 PER PERSON

Yes . . . delicious meals in friendly surroundings . . . seawater baths . . . vita glass solarium and sun decks overlooking the ocean . . . $10, $12, $14 per person.

Write for reservation. F. Ernest Tull, Gen. Mgr.

The SENATOR
ATLANTIC CITY

Saint John Calling!

It's the Admiral Beatty—the official AAA hotel. 250 fireproof rooms from $2. single, $3. double. Modern cafeteria. AAA garage.

The ADMIRAL BEATTY
SAINT JOHN, N.B.

Where to STOP IN Canada When you GO

Montreal — MOUNT ROYAL HOTEL
Niagara Falls — GENERAL BROCK HOTEL
Hamilton — ROYAL CONNAUGHT
Windsor — PRINCE EDWARD HOTEL

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How to Protect Market Profit.
What to do in a Bear Market.
The Three Stages in a Bear Market.
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W. Hargreaves Has Good Year Reserves Rise

Produces Record Value of Bullion — Earnings Move Higher

GET NEW ORE

In its 22nd fiscal year and its 18th since production started, Wright-Hargreaves Mines:

Produced a greater value of bullion than ever before in its history.

Substantially increased ore reserves at only a very slight sacrifice of grade.

Kept overall costs down to about the same amount per ton milled as last year, $8.89 compared with $8.87.

Increased the tonnage handled by its mill.

Paid dividends at the new high scale inaugurated last year, dividends and bonuses totalling 70 cents per share.

These are highlights of the annual report for the fiscal year ended August 31.

The report of Maurice Summerhayes, Managing Director, states that the recovery per ton was $18.15 compared with $17.99 in the previous year.

"Encouraging results experienced in depth development" were pointed out by President Edwin Lang Miller. "Drifting on several levels between 4,000 foot and 5,000 foot has resulted in very satisfactory ore disclosures, especially so on the 4,800-foot level, developing major lengths of high grade ore without any change of structure or formation to that of the upper levels. In addition a new vein known as No. 8, north of our present main workings, has been developed to some extent on the three deep levels commencing at the 4,350-foot level, which at present indicate major possibilities," Mr. Summerhayes stated, in his operating report.

Income and Surplus Account
Years Ended Aug. 31

	1938 $	1937 $
Bullion produced	7,933,104	7,714,486
Less: Oper. expenses:		
Devel., explor. & stoping	1,593,547	1,552,404
Transporting ore ...	394,877	348,858
Milling	545,385	509,618
Surface & bldg.	133,141	108,438
Marketing bullion .	18,054	18,395
Mint bullion charge	78,801	76,946
Stk. trans. chgs., etc.	27,875	24,794
Taxes	670,000	665,000
Gen. & misc. chgs. ..	162,559	133,505
Group ins., silicosis.	97,919	90,114
Net oper. earnings ...	4,210,946	4,086,416
Add non-oper. income:		
Interest	41,641	42,018
Discounts earned ..	2,785	4,017
Sale surface rights .	450	800
Total net earnings ...	4,255,822	4,233,249
Less: Deprec.	167,377	281,657
Net profit	4,088,445	3,951,592
Less: Dividends	3,862,143	3,854,492
Surplus for year	226,302	97,100
Add: Prev. surplus ..	4,592,021	4,550,921
Less: Undist. backfill w/o	158,000	56,000
Balance forward	4,660,322	4,592,021
Earns. per Share & Divd. Record:		
Common: Earned ..	0.743	0.72
Paid	0.70	0.70

Amm Gold Mines has let a contract for a mill of 100-125 tons capacity. Cost is payable $25,000 in cash, partly in stock at 15 cents and balance out of production.

TRANSIT LEADER

At the annual convention of the American Transit Association in Toronto, the first to be held in Canada, A. J. Lundberg, head of the East Bay Transit Co., Oakland, Cal., was elected president. He succeeds Charles W. Chase, president of the Indianapolis Railway Co.

Shawinigan Earnings Up

(Continued from page 1)

1937. Net operating revenue is $285,551 lower, but this decline is offset in part by lower fixed charges and elimination of provision for amortization. Surplus before depreciation and income taxes is $145,249 lower at $2,954,807.

Comparative figures for the nine months follow:

Nine Months Ended Sept. 30

	1938 $	1937 $
Gross revenue	10,475,815	10,943,972
Less expenses:		
General, oper. and maintenance	2,389,311	2,438,041
Power purchased ..	1,209,810	1,357,548
Water rentals	374,506	326,026
Taxes & insurance .	681,072	715,661
Res. for exchange ..	18,000	18,000
Net oper. revenue	5,803,115	6,088,696
Fixed charges	2,848,308	2,874,286
Amort. of bond prem., disc. & expenses ...	......	119,353
Surplus before deprec. and income taxes ..	2,954,807	3,095,056

Powell Rouyn Operations Disclose 4 Years' Ore

Lateral exploration at the 650-acre property of Powell Rouyn Gold Mines has opened up an aggregate vein length of 5,370 ft. on levels at 200, 350, 500, 650 and 800 ft., states a report issued by the company. On the 500-ft. level alone, a length of 1,600 ft. has been opened up indicating over four years' commercial ore above the 800-ft. level in this section of the mine at the present rate of production.

Shipments to the Noranda smelter are stated to be averaging 16,000 tons monthly. Deliveries from development and stoped ore in September had a gross value of $95,700 with 16,644 dry tons shipped.

A 2,000-Acre Park that Water Built

Frontier at Niagara Developed Without Benefit of Taxpayers

Because a lot of water has flowed under the bridges of the Niagara River in the last 50 years the Province of Ontario has a self-supporting provincial park.

The Niagara Parks Commission holds title to some 2,000 acres of park land stretching from one end of the Niagara River to the other. But it owes its existence without benefit of taxpayer to the unseen rocky river bed—or, to be more accurate, half of it.

Riparian rights were considered only casually as an asset when the first commission, created by the Parks Act of 1885, started its career. Today they are worth between $400,000 and $500,000 yearly, depending on the amount of power produced by the four developments on the Niagara River.

In 1890 this ownership of one half the Niagara River bed for the first time assumed its due importance. The Canadian Niagara Power Co. had been formed to develop power on the river. But the water flowed over Parks Commission land and the commission demanded its toll. An agreement was concluded which gave the commission an annual fixed revenue of $15,000 for the first 10,000 h.p. developed plus pro rata charges on additional power. This was the start of the system of power or water rentals. Similar agreements followed in turn with the Ontario Power Co., the Electrical Development Co. and the Ontario Hydro Commission. Today these three Hydro-owned developments contribute about 85% of the total revenue and the Canadian Niagara Co. about 15%.

Annual Revenues

These revenues since 1933 have been as follows:

Year ending	$
Nov. 30, 1933	309,963
Nov. 30, 1934	421,031
Nov. 30, 1935	424,645
March 31, 1937	531,408

Assets of $4 Millions

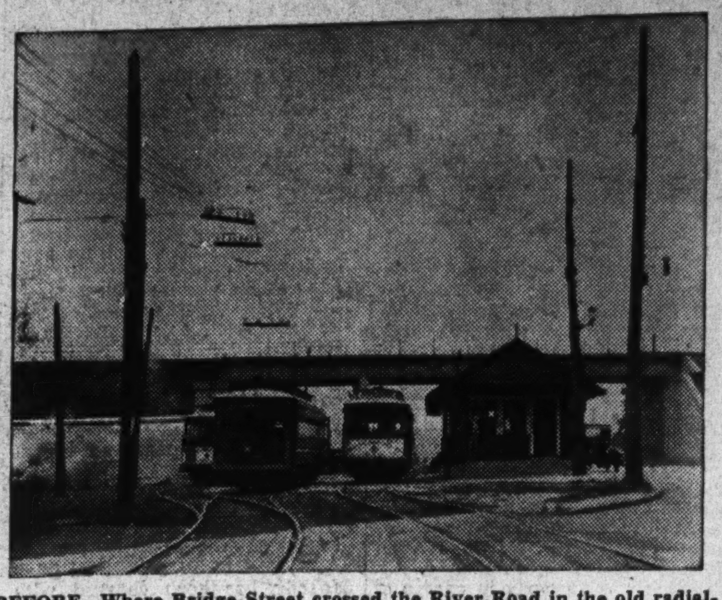
With this water rental as a foundation the Parks Commission has built up assets valued conservatively at $4.2 millions. So far the taxpayers of Ontario have not contributed a cent. The commission has financed its own development work, serviced its own debt guaranteed by the province and at the same time substantially reduced this debt.

In 1933 outstanding debentures of the commission totalled $1,997,918. By 1935, a year and a half after the present commission took office, it had been reduced to $1,714,000. The balance sheet for the year ended March 31, 1938, will show a further reduction to $1,397,000.

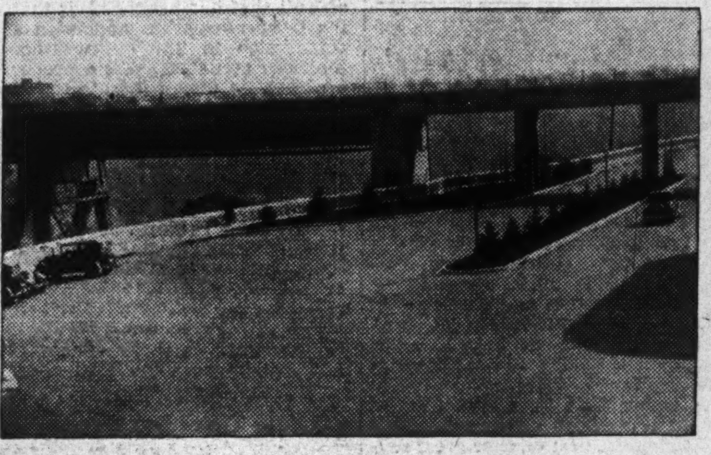
Here, however, the tale of debt reductions is likely to come to an abrupt halt. Among the bequests handed down by its predecessors the present Commission received the unsettled litigation over the International Railway Co. right-of-way. It was settled early this year by the Privy Council judgment against the commission for more than $1 million. Payment of this money together with the funding of certain development costs, it is expected, will bring the commission into the market with a loan of approximately $2 millions.

1934 Shake Up

Because it has paid its own way the Niagara Parks Commission has been comparatively free from political disturbances. With the advent of the Hepburn Government in 1934, however, a commission was appointed to investigate the operation and administration of the park. The report of Commissioner Armand Racine resulted in the resignation of the entire Parks board and the following were appointed to take their places: Hon. T. B. McQuesten (chairman), Dr. George B. Snyder, Niagara Falls; Ross Harstone, Hamilton; A. T. Whitaker, Brantford, William L. Houck, M.L.A., Niagara Falls; J. C. M. German, K.C., Toronto; Donald McGillivray, Port Colborne and A. J. Haines, M.L.A., Jordan.



BEFORE—Where Bridge Street crossed the River Road in the old radial-banana skin days.



AFTER—The same spot after treatment by the River Road beautification process.

Aside from the politics admittedly involved in this investigation and the resulting changes the new blood gave a spurt to the Niagara Parks activities. C. Ellison Kaumeyer, young aggressive Chippewa businessman, was appointed general manager and started on a two-edged programme of economy and expansion.

The life of the Niagara Parks Commission has seen a drastic change in the operation of the tourist industry. Thirty-five years ago the car was an unknown factor. Railways were the chief promoters of tourist trade. Volume was the goal. Today volume is secondary and importation of spending power the chief aim behind tourist advertising. The 3,250,000 cars which came to Canada last year are far less important to the country than the fact that they left $295 millions behind them. Niagara as the largest gateway to Canada has been sensitive to the trend.

It has taken both the Niagara Parks Commission and the New York State reserve board many years and more educational work to bury old traditions. Ill-chosen advertising slogans had made Niagara as hackneyed as last year's song hit and not nearly as profitable. A report of the Commission not many years ago complained of the season's tourist traffic as "disappointing in purchasing power."

In those days the scenic river route from Queenston to the Falls was monopolized by the old radial operated by the International Railway Company. Its right-of-way skirting the edge of the Gorge was leased from the Commission and evidence before the arbitration proceedings of 1934 showed it had been an excellent revenue producer for the company. Whether this was equally true of the Commission in the light of later events seems doubtful.

Multitudes invaded the park with lunch baskets but the tourist dollar was scarce.

I. R. C. Agreement

The Commission of the day, however, apparently considered the radial indispensable. When the last lease with the International Railway Co. was signed it threw into the scales its agreement to take over the road at the expiration of the lease if the railway company did not want to renew and to pay "fair compensation." That word "compensation" as interpreted by the Privy Council early this year will cost the Niagara Parks Commission $1,048,000, plus about $100,000 in costs and less $40,000 realized from the sale of equipment.

The lease expired in 1932 and in 1934 an arbitration board awarded the I.R.C. $179,104. An appeal court lowered the ante by $11,000 but the company finally won out in the highest court of appeal.

Meanwhile, however, the radial has disappeared. Instead a stretch of wide paved highway winds for the 35 miles from Fort Erie to Queenston.

The River Road beautification ranks among the most ambitious tourist highway projects in Canada. It represents an expenditure of $327,123, a large part of which has been paid out of current revenue. Over 30 miles of highway have been regraded, widened and surfaced. Thousands of tons of fill have been used to transform unsightly gullies into flower-massed boulevards. Long stretches of roadway have been flanked with flowering almonds, crabs and rose bushes. Other sections have been laid out with borders of iris and lilacs. All these have been supplied from the nursery stock of the Commission which is valued at $10,000. Last year alone 65,000 trees, again the product of the nursery, were planted along the roadway.

Stone work in the magnificent memorial gateway at the northern entrance to Victoria Park represents an expenditure of $20,000. This gate stands opposite the $350,000 Oakes Garden Theatre now in its first season.

Historic Sites

But the River Road is only one of a number of investments in Ontario's four million dollar tourist enterprise. Dig up your old Canadian history textbook from the attic. You will find nearly 40% of it connected with this few miles of Canadian border. Fort Erie, Fort George, Fort Mississauga, Queenston Heights, Lundy's Lane and Fort Niagara are all carried on the balance sheet of the Niagara Parks Commission at the cost of capital expenditure on restoration, etc. As dividend-producing assets, their value is difficult to estimate.

The latest project of this kind undertaken by the Commission has been the restoration of the old William Lyon Mackenzie home near Queenston at a cost of approximately $25,000. The house has been converted into a museum and admission charges are expected to add substantially to the commission revenues. In capitalizing on its historic sites the Parks Commission has pointed the way to a profitable plank in any national tourist programme.

During the period from April 1 to Nov. 30, 1937, the three bridges which feed American cars and passengers to the Niagara Parks showed the following record of Canada-bound traffic:

	No. of cars
Whirlpool rapids bridge ..	182,301
Falls View bridge	347,535
Queenston-Lewiston bridge	121,560

Grist For the Mill

This traffic is the highest grade grist that comes to the Parks Commission tourist mill. It is estimated that at least 50% of the cars from the American side contribute to its revenue.

In the $100 tourist import concession the Niagara Parks Commission saw a gold mine and at once made arrangements to exploit it. Table Rock House at the edge of the Horse Shoe Falls was turned into a miniature department store, carefully stocked with Canadian and British products that the American tourist won't find at home or can get only at tariff inflated prices. These include dinner sets priced at $75 to $125 of Royal Worcester, Aynsley and Wedgewood. English and Canadian blankets and woollen scarves, Irish linen in every form from quilts to handkerchiefs.

A glance at the shipping room shows the result of this bid for tourist trade. A box of china addressed to New York is valued at $165. Another bound for Fort Worth, Texas, is tagged at $98; another going to Los Angeles cost the purchaser $105. The Commission looks after all customs formalities and arranges delivery to any point in the United States.

Restaurant Service

Another revenue producing field is the restaurant business. Three commission restaurants, the largest accommodating 1,000, have an annual expenditure in supplies of more than $45,000.

In 1933, the Park Restaurant, the Niagara Glen Inn and the Queenston Restaurant operated at a total net loss of $10,623. In 1934, with tourist traffic on the increase, the total net loss was still $6,824.

These losses were one of the first problems facing the new Commission and its general manager. A careful study of the tourist customer and his wants resulted in drastic changes. Standards of meals were raised and in some cases, prices. In 1935, the first profit of $1,786 was shown.

Operating Revenues

Operating account revenues which include restaurants, souvenir sales as well as receipts from the cliff incline and elevators in this period were as follows:

Year ending	
Nov. 30, 1933	$19,136
Nov. 30, 1934	31,090
Nov. 30, 1935	34,766
March 31, 1937	72,087

Other commission revenues are obtained from concessions and tolls. The Spanish Aero Car Co. and the Maid of the Mist Co. pay rentals totalling about $5,000 a year. Buses entering the park are taxed on the basis of passenger mileage over park land. This adds another $6,000 a year in normal tourist seasons.

The commission payroll ranges from about $11,000 a month during the slack winter season to nearly $20,000 a month during the summer. Last year with the Garden Theatre still under construction it reached a peak of $35,000. A good deal of this work was included in the Dominion-provincial relief programme with the Dominion Government contributing 50% of the cost.

Distillers Corp. Profits Hold

(Continued from page 1)

accepted offers from Brintcan Investments Ltd., holding company for the Bronfman family, to purchase 15,000 preferred shares at par, bring the total amount of issued preferred stock to $16.5 millions, an increase of $1.5 million. Since the close of the fiscal year an offer to purchase a further 5,000 shares has been accepted. Thus, the Bronfman family has increased its investment in the company by $2 millions. Common dividends payable to the Bronfman's were applied toward the purchase.

Income and Surplus Account
Years Ended July 31

	1938 $	1937 $
Sales	81,577,919	81,872,168
Less: Cost of goods sold	57,098,840	57,722,446
Gross profit	24,479,079	24,149,722
Add: Misc. income ...	126,202	107,970
Total income	24,605,281	24,257,692
Less: Sell. & adm. exp.	13,514,739	12,713,656
Directors' fees	1,000	2,000
Exec. salaries	388,051	319,366
Legal fees	289,070	188,029
Interest (net)	437,079	523,820
Depreciation▲	130,621	130,205
Loss on assets	447,730	70,172
Prov. for loss on invests.	160,000	73,266
Inc. & profits tax ..	1,923,485	2,017,627
Flood losses	......	775,293
Net profit	7,313,504	7,444,258
Less: Pref. divds.	777,891	562,500
Common divds.	2,613,967	......
Surplus for year	3,921,646	6,881,758
Add: Prev. surplus ...	22,639,744	16,854,326
Less: Exps. on pref. issue	......	1,096,340
Earned surplus	26,561,390	22,639,744

▲Additional depreciation of $812,212 charged to working expenses in 1937-38 and $695,545 in 1936-37.

Working Capital

	1938 $	1937 $
Current assets	51,232,286	53,500,249
Current liabilities	9,260,347	8,966,311
Working capital	41,991,939	44,533,938

Halifax, N.S. — Relief costs for August were higher by $1,886, but decreased by $3,133 for the three months ended Aug. 31, as compared with the corresponding period of last year. Total relief costs for the month of August were $18,078, while the total for the three months was $50,852. A total of 4,844 persons were on relief during this month as compared with 4,597 in the same month last year.

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What's Behind the Food Stocks?

With Food Prices Now Scraping Bottom Upward Movement Expected Before Spring

By B. T. HUSTON,

Falling prices and reduced export trade in several lines have made the past year a more or less trying one for the Canadian food industry. The lower price trend beginning middle of 1937 has kept up the pace to the present. When distributors are carrying surplus stocks purchased at higher market levels, the price structure always suffers. Sales volume may be maintained under these conditions but net profit sometimes has to take the count. But the long-term outlook is more favorable.

Here is the situation in brief:

1. Food markets scraping bottom, are likely to be steadier to firmer as spring approaches.
2. Packs of canned vegetables curtailed because of heavy 1937 production and surpluses carried over; export trade falls off.
3. Lower prices for raw materials favorable to the biscuit industry although not so good for millers.
4. Somewhat better outlook for canned salmon industry.
5. Reduced exports in bacon and hams.
6. Self-serve store competition among chains growing.
7. Loss leader legislation covering food products spreading among the different provinces.

Food Prices

Food prices generally are scraping bottom. For this reason if for no other, there is likely to be a gradual firming up in many markets in the coming months, with the odd exception.

A year ago we had surpluses of canned goods, grains, flour on our hands which meant we were in for a period of declining prices. And how they have gone down! But when net profit is squeezed out of a product because of a surplus overhanging the market, producers and manufacturers ease up in production. And that is what has been taking place this autumn. When prices hit bottom there is only one way left for them to go. There is, of course, no rapid advance in sight. Food prices are mostly below those existing this time last year and may on the whole, continue at present levels for a time. Before spring there is every reason to look for an improvement.

A year ago it was realized by canners of vegetables, particularly, that size of the 1937 pack had overstepped the mark. When the Dominion Bureau of Statistics figures came out a tomato pack of 3,490,000 cases was shown—the largest in history and 1½ million cases above our domestic consumption. Talk of big export trade in tomatoes was in the air and everybody packed to the limit. But when 700,000 cases were exported the market fell dead. The United Kingdom switched to the Italian product (which had been more or less in the dog-house since the sanctions) apparently to appease Mussolini and Canadian packers were left holding a heavy surplus which had not been absorbed when the 1938 pack started. Banks shut down on loans to a large extent and there were canners that did not take up their contracted acreage.

So the 1938 pack has been less, how much we won't know until preliminary figures are issued in January.

Similarly there was a heavy pack of tomato juice in 1937, all of which, for the first time in the history of this product, was not consumed. This pack has also been curtailed. A substantial surplus existed in corn and the 1938 pack will also be down. The only major vegetable that did not show a heavy surplus was canned peas and the position of this product is the healthiest of the three.

In canned peaches the surplus was not heavy nor was it excessive in pears. This year packs of these two fruits have not been heavy.

It appears therefore, that the stage is all set for some gradual increases in prices of canned vegetables and fruits. They may not come this year but by next spring unless something unforeseen happens, there is every reason to believe the market will be steadier and somewhat firmer at least.

Salmon Canning Troubles

Labor difficulties accompanied by strikes in British Columbia have not been working favorably for salmon canners. A year ago packs were small because it was a short salmon run year. Prices were comparatively high on that account and high prices always affect domestic consumption and export trade. This year total salmon pack up to date is only slightly higher than in 1937. Chief cause of this has been the labor troubles. But pack of Sockeye, the best grade, is higher by 100,000 cases and Cohoes is up no less than 130,000 cases. So far Pinks and Ketas, which are cheaper grades, are down. But this year export enquiry from the United Kingdom, Australia, West Indies and South America has been away ahead of last, with no change in prices, so that coast salmon packers are in a position to make more money this coming year.

Flour, Bread Prices

Biscuit companies in Canada are in a better position today than a year ago. Flour prices had been advancing up to October, 1937; sugar, butter and other costs were high. Since then there have been reductions in these and other ingredients which have reduced costs. A year or two ago biscuit competition was keen, but it is not to the same extent today. While total sales of biscuits may not be showing any increase, manufacturers are in an improved position to show a healthier net profit. As long as millers have difficulty in exporting flour, biscuit firms will benefit.

Bread companies are not so favorably placed because of price cutting among retailers particularly large chain stores. Price of the 24 oz. standard loaf in Ontario, for instance, is down anywhere from 2½ to 3 cents in these stores—more than the drop in flour is said to warrant. The differential too, between wagon and store prices, has widened. Any improvement in the flour situation should tend to stabilize bread prices.

Chain Store Fight

Intensified competition among chain companies in the food field during the past year is still running its course. How long it will last nobody knows but the likelihood is that with gradually higher prices in food products, there will be some let-up. This competition has been hard on net profits of not only chain but independents.

All firms have been adversely affected. Those that have had an increase in profit like Loblaw Groceterias Co. Ltd. could have shown a substantially higher net, but for this price competition.

Dominion Stores Ltd. has not followed the low price trend as have some of the other well-known corporate chains and its volume has been declining gradually. In the first six months of the present year a net loss was shown.

The Canadian end of the Great Atlantic & Pacific Tea Co. whose number of units has been drastically curtailed has been in the thick of the fight. Since there are no separate figures on sales or net profit covering the Canadian division, we do not know just how it has fared in this market. But if the United States figures are any indication of the trend—and they likely are—sales have declined somewhat because of reduced number of outlets and net profit has been drastically cut. The United States experience during its past fiscal year is that sales were down 2.5%, but net profit 47% lower.

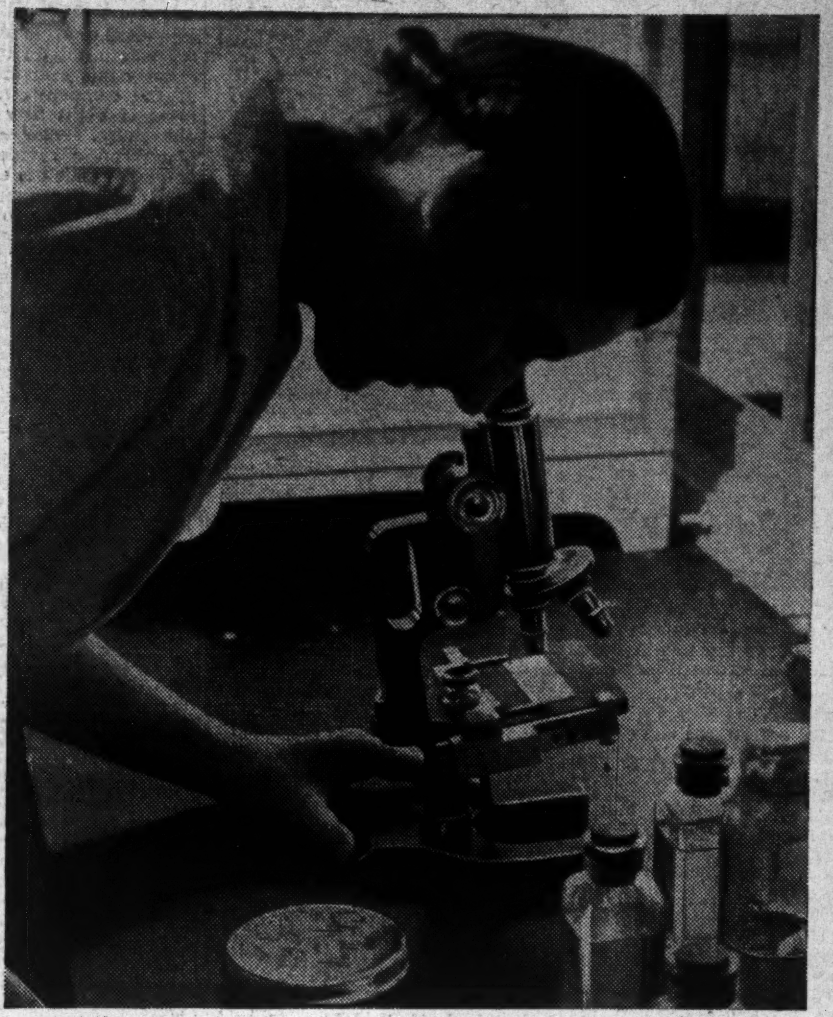
Loblaw Groceterias Co., now the largest Canadian food chain in point of sales as well as net profit, has continued to show increases in profits and sales in spite of the price war. This is largely due to its expansion into market stores including fresh meats and fruits and vegetables. With volume up in these two departments because of an increase in the number of market stores, it is easier to show an increased net. Meats under the present system of handling, have always been profitable and now it is more than likely that fruits and vegetables are adding their share.

The tendency among chain companies is more and more toward self-serve. Loblaw has been self-serve since 1920. The A & P. started out on its self-serve drive a year or more ago and now has a big percentage of its units on this basis. It was just the other day that Dominion Stores opened a self-serve store in Orillia, Ont., which may be the forerunner of many more. Stop & Shop—Thrift also went self-serve a couple of years ago. With everybody operating on the same plan competition will still be keen regardless of the price trend. There are always people who demand service and are willing to pay for it, so the serve-yourself idea may eventually be overworked.

Wholesalers such as National Grocers Co., Ltd. and Western Grocers Ltd. are naturally affected by the price war among the chains as individual merchants cannot afford to sell at cost or less. Substantial reserves are needed for that. So that while sales of jobbers have been holding up fairly well net profit is bound to suffer. Rising markets and an end of the price war would benefit them considerably.

—Courtesy, Canada Packers.

Branding for export—Meat sold abroad is plainly marked "Canada."



In the milk business every step is checked—taking a bacteria count.

Loss-leader laws covering retailing in Canada are on the up and up. British Columbia shot the first gun in the campaign when the legislature passed two bills, one to stop food retailers selling at less than 5% over their wholesale cost; and the other to permit manufacturers with price maintenance policies to enforce them in the provincial courts. Since then Manitoba and Alberta have put through similar legislation and the Ontario legislature will be asked to endorse it too.

Not many food manufacturers have fixed resale price policies so the price maintenance act is not of as much interest to the food industry as the loss-leader legislation.

In the United States similar loss-leader legislation seems to be working out fairly successfully. It has the approval of the specialty manufacturers and the trend is similar in Canada. The Housewives' League of B. C. backed by the big Woodward's department store in Vancouver, is asking the legislature at this coming session to rescind the price maintenance legislation.

Sugar Refining

A steadier tone in world prices of sugar is expected to result from the conference of world sugar producers in Great Britain last summer. There has been a decline in refined prices in the current year, and there has been a larger beet crop in Canada and one or two companies will benefit thereby.

There was a decrease in cane and beet sugar manufactured in Canada in 1937 to 996.7 million lb. from 1,055.6 million in 1936. Exports of refined sugar dropped to 2.7 million lb. from 4.1 million. Sales in 1937 totalled 1,020 million lb., as compared with 978.8 millions.

Imports of raw sugar in 1937 amounted to 476 million lb., a decrease from the 665.9 million imported in 1936.

Any revision of tariffs in favor of exporting countries would be injurious to earnings of Canadian refiners. Re-establishment of trade with Cuba on a freer basis would adversely affect the companies' position although any such revision would likely be only on a quota basis.

Milk Distribution

Distributors of milk and cream are continuously waging a battle against the difficulties that beset the industry.

The business is one of narrow profit margins, requiring technical skill and efficiency. There has been a great deal of misinterpretation as to the extent of profits of the industry, and a number of labor differences have done little to foster public goodwill. Strikes have only served to increase the difficulties of organization and lower earnings.

Nevertheless, it is generally admitted that the wage structure is fairly high and the cost of processing milk and delivery expensive. Producers have been able to obtain uniform prices for fluid milk, aided by their own organizations and the working of various milk boards. Any negotiations between the two groups must receive the approval or arbitration of the milk boards.

The task of the distributor is complicated by the nature of milk itself. It must be handled quickly and efficiently, for milk is an extremely perishable commodity. There must be no interruptions in service, for every day of the year Canadian urban families expect milk to be at their doorsteps.

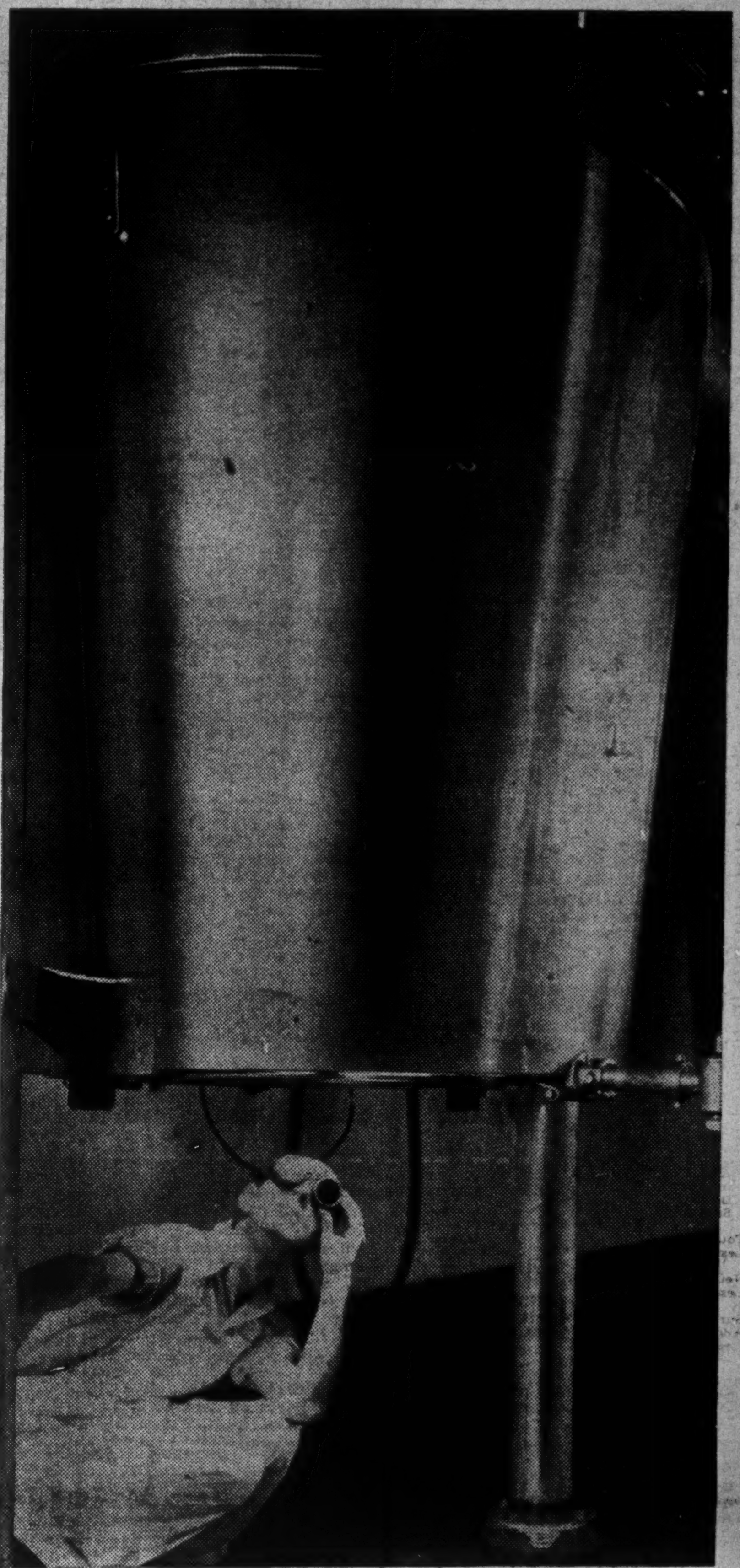
It is expected that compulsory pasteurization will remove some of the inequalities of competition. Distributors who do not pasteurize their product have lower costs and are able to sell more cheaply.

In recent years evaporated and condensed milk has assumed a new significance, and sales of this product have become a threat to the consumption of the ordinary variety of milk. This is particularly the case in the past year with price competition among large retail distributors so keen that the public in many districts has been getting evaporated milk at little more than wholesale cost.

More encouraging to the industry is the better showing made by a few companies during the current year. Progress is being slowly made, but the outlook for many concerns is obscure.

—Photo courtesy, Geo. Weston Ltd.

The assembly line in a biscuit factory—ready for packaging.



—Courtesy, The Borden Co.

Adding sunshine—Irradiation is a new development in dairying.

Food Companies Reviewed

Position of leading food companies, whose securities are discussed in this section, is summarized as follows:

Acadia Sugar—Earnings gain last year and dividends continue. Page 22

Acme Farmers Dairy—Substantial surplus retained in spite of losses in past three years. Page 19

Atlantic Sugar Refineries—Public interest confined to bonds. Page 22

B. C. Packers—Outlook for canned salmon brighter this year. Page 18

Blue Ribbon Corp.—Declining prices result in drop in profits. Page 17

Barker's Bread — Important changes last year alters company's position. Page 20

Borden Co.—Long dividend record lends stability to common shares. Page 19

Burns & Co.—Earnings lower this year. Page 18

Burry Biscuit—Likely to report a profit for current year. Page 20

Canada Bread—Continues to strengthen position and whittle at class B arrears. Page 20

Canada & Dominion—Extra dividend declared on new common stock. Page 22

Canada Packers—With export volume down and shortage of hogs in West, earnings may be lower. Page 18

Canada Starch—Sales have turned upward after a lower first half this year. Page 17

Canada Vinegars—Sales volume probably not far from last year's level. Page 17

Canadian Bakeries — Material costs lower but wages about same level. Page 20

Canadian Canners—Sales higher this year but profits hardly as great as last year. Page 18

Carnation Co.—Comparatively small preferred dividend needs covered by wide margin. Page 19

Catelli Food — Last year's earnings drop because of lower prices and higher costs. Page 17

Connors Bros.—Sales volume likely to be less than last year but earning common dividend. Page 18

Consolidated Bakeries—Has always earned net profits and financial position strong. Page 20

Dairy Corp.—Progress in unravelling financial tangle slow but sales gain. Page 19

David & Frere—Payment of bonus should indicate earnings maintained. Page 20

Dominion Bakeries—Properties are rented and shareholders' equity threatened by losses. Page 20

Dominion Stores — Likely to show small loss for 1938. Page 21

Eastern Dairies—Earnings in 1938 hold close to last year's level. Page 19

Edmonton City Dairy—Profits hold fairly steady but fail to cover preferred dividends. Page 19

Fanny Farmer—Continues to grow and profits up for half year. Page 21

George Weston—Sales and earnings likely to show gains this year. Page 20

Hunt's Ltd.—Sales turn upward after reduction in first half. Page 21

Inter-City Baking—Operations continue satisfactory and common dividend raised. Page 20

International Milling—Earnings may be around half last year's level, but prospects better. Page 16

Jenkins Groceterias—Improved condition in Alberta should benefit. Page 21

Lake of the Woods—Past year unsatisfactory but better things expected in current period. Page 16

Laura Secord — Expected to report higher sales and earnings. Page 21

Loblaw Groceterias—Sales and profits gain in spite of lower prices. Page 21

Maple Leaf Milling—Outlook improves but reorganization probable. Page 16

McCormick's—Bond issues guaranteed by George Weston. Page 20

Moirs Ltd.—Prospects considered favorable but profit level small. Page 20

Muirhead Cafeterias — Expected to show decreased earnings, but improvement under way. Page 17

Nat. Biscuit & Confectionery—Net last year only slightly down. Page 17

National Grocers—Tonnage of sales gains, but profits fail to keep pace. Page 21

Ogilvie Flour—Unusual investment account makes for stable earnings. Page 16

Quinte Milk Products—Continues to make progress aided by simpler capitalization effected last year. Page 19

Robinson Cone—Strong financial position permits dividend payments. Page 20

Silverwood Dairies — Improved position permits payment of initial preferred dividend. Page 19

St. Lawrence Flour—Fails to cover preferred dividends but payments continued. Page 16

Stop & Shop—Improvement noted this year but no plan for bond interest yet. Page 21

Thrift Stores—Unsatisfactory showing intensified by taxation troubles. Page 21

United Dairies—Capital changes last year may reduce charges. Page 19

Viau Ltd.—Costs lowered by improvements and changes in policies. Page 20

Western Canada Flour Mills—Outlook for current year shows improvement. Page 16

Western Grocers—Should benefit from greater purchasing power in Prairies. Page 21

Willard's Chocolates—Earnings and financial position improving. Page 17

Milling Looks Ahead

Normal Crop Removes Factors Which Hit Companies This Year

The investing public is reconciled to, and expects, substantially lower earnings of milling organizations this year.

But looking farther there appears a distinctly promising era. A normal crop in the West has removed the factors that caused this extremely poor year for Canadian millers. The premium on cash wheat during the 1938 season has disappeared and it is estimated by an official of one company that the industry should be able to export 5 million barrels of flour during the current year against 3.6 millions in the past year.

A certain measure of apprehension is caused by operations of the Canadian Wheat Board. Guaranteed wheat price to western farmers on No. 1 northern delivered at Fort William is 80 cents, while current market price is considerably below that, resulting in a substantial loss to the Government on all current sales. Whether the Government will continue this policy, but will be tempted to hold in hope of a rise, is causing concern. Only by buying on an open market could Canadian millers compete on world markets.

The reopening of British markets to United States millers, which might be granted in the new trade treaty, is not greatly feared by the industry. While disturbing, it is pointed out that prior to the Ottawa agreements of 1932 Canadian millers were able to meet competition successfully. Of more importance is the subsidized export of flour which may have an injurious effect on Canadian milling business.

Western Canada

Experience of Western Canada Flour Mills Co. in the year ended July 31, 1938 was materially the same as that of other companies in the milling business.

An operating loss of $158,362 was incurred in the year, after all charges, including interest and taxes, as compared with an operating profit of $205,236 in the preceding year.

After transfer of $250,495 at the credit of general reserve, and a $100,000 transfer to reserve for investments, surplus carried in the balance sheet was reduced to $146,398 from $367,223.

The working capital position of the company was weakened during the year. Bank loans were reduced to $1.7 million from $1.9 million, and accounts payable dropped to $652,805 from $797,349.

A. J. Mitchell, president, states in the annual report the present milling year holds forth much promise.

Mr. Mitchell says that conditions in the baking industry continued on a more stable basis and an increased volume of sales was experienced. However, higher wages and ingredient costs resulted in slightly reduced earnings.

Conditions in the salt industry, in which the company is interested, were unsettled, but recent developments have caused an improved outlook.

No dividends have been paid on the 6½% preference stock since Mar. 15, 1935, and arrears totalled $30.62½ at Sept. 1, 1938.

Western Canada Flour Mills Co. owns and operates directly and through subsidiaries mills producing flour, cereals, and poultry foods. A number of terminal elevators and warehouses are owned at principal points in Canada. In addition, a number of bakeries and salt wells are operated by the organization.

Directors—A. J. Mitchell, pres.; J. J. Page, gen. mgr.; J. H. Gundy, Sir John Aird, D. B. Hanna, all of Toronto; Hon. G. H. Barnard, R. B. H. Ker, Victoria, B.C.; J. A. Kilpatrick, Montreal; John Davidson, London, Eng. Sec.—A. H. Denoon, Treas.—J. S. Anderson. Asst. gen. mgr.—J. W. Horn.

Lake of the Woods

Adverse factors affecting the milling industry resulted in a sharp drop in earnings of Lake of the Woods Milling Co. in the year ended Aug. 31, 1938. Net operating profit for the year amounted to only $8,614 compared with $738,706 in the preceding year.

After all charges, including bond interest and depreciation, the company reported a deficit of $296,132 as against a profit of $328,689 in the year ended Aug. 31, 1937. The deficit would have been higher except that the company reduced its provision for depreciation from $150,000 to $75,000.

F. S. Meighen, president, states conditions have changed for the better since the 1938 crop came on the market. Wheat is abundant, lower in price, and there has been considerable improvement in business.

Working capital declined during the year from $817,000 to $613,000. Bank loans were reduced from $2.9 millions to $625,000. This reduction is more than offset by the decline in inventories from $3.5 millions to $894,717.

Directors—F. S. Meighen, pres.; Hugh MacKay, vice-pres.; C. H. G. Short, gen. mgr.; R. W. Reford, Walter Molson, P. F. Sise, J. W. Pyke, all of Montreal; I. Pitblado, G. W. Allan, Winnipeg; J. W. Hobbs, Toronto. J. H. Pillman, London, Eng. Sec.—D. A. MacInnes. Treas.—R. R. Hutchison.

Maple Leaf

The statements of Maple Leaf Milling Co. for the year ended July 31, 1938, reflected the unsatisfactory conditions existing during the year in the milling industry.

Earnings were sufficient to provide for the part of the bank loan and bond interest that was paid in cash, after allowing for slightly higher depreciation of $183,842. A deficit of $165,731 was shown, as compared with a net profit of $14,856 in the preceding year.

Referring to reorganization possibilities, D. C. MacLachlan, president, stated that further proposals are under consideration. The present plan, which became effective Dec. 1, 1933 expires on Dec. 7, 1938. At present bond coupons due June 1 are settled by issue of two class A shares annually for each $1,000 bond while the Dec. 1 coupons are paid in cash. A similar scheme was applied to certain bank loans.

Mr. MacLachlan declares that in view of the better crop of wheat this year, being sold on a more competitive basis with the wheat of other exporting countries, it is reasonable to expect a larger volume of export flour.

The company is engaged directly and indirectly in the manufacture and distribution of flour, cereals, stock and poultry feeds and the operation of bakeries. Trade names of its products include "Maple Leaf," "Monarch," "Anna Lee Scott's," "Tea Bisk" and "Red River."

Directors—D. C. MacLachlan, pres. and gen. mgr.; E. Bristol, R. S. Waldie, J. L. Henderson, A. C. Matthews, Toronto; E. R. Decary, Montreal; E. H. Buckerfield, Vancouver; H. E. Sellers, Winnipeg. Secretary—G. H. Hand.

Inter. Milling

The past year has been unsatisfactory for milling companies, and it is expected that in line with most companies, earnings of International Milling Co. will not be on the same level as last year. However, the company is not as much affected by the current crop conditions and export conditions as other firms.

The company, with head offices in Minneapolis, Minn., is engaged in the production of hard wheat flours, oatmeal, rolled oats, cornmeal, cornflour, etc., sold under the trade names of Robin Hood, Seal of Minnesota, Cinderella and Goldrim. Business is largely domestic to Canada and the United States, but normally some export business is carried on.

A wide diversity of operations throughout the continent serves to stabilize earnings and coverage of dividends on the preferred stock has been consistently achieved.

The company's financial position is considered unusually strong. Working capital improved substantially during the year ended Aug. 31, 1937, amounting to $9.6 millions, as against $8.8 at the preceding year end. Additions were again made to reserves.

Directors—F. A. Bean, vice-pres. and gen. mgr.; Charles Ritz, vice-pres., Montreal; J. R. Morris, vice-pres.; F. V. Spofford, sec.; H. F. Marsh, treas., Minneapolis; J. J. Kovarik, Buffalo.

Ogilvie Flour

The report of Ogilvie Flour Mills for the year ended Aug. 31 is not available as yet. While there has been no official information, it is understood the company will report lower profits.

Over a period of years Ogilvie Flour Mills has built up an investment account which has come to figure prominently in the company's balance sheet and income account. At the end of 1936-37 the company had an investment in bonds preferred and common stock, as well as in wholly owned subsidiaries, totalling $3.4 millions. The market value of these investments was $9.6 millions at Aug. 31, 1937. In view of the general decline in the market value of securities, the annual report as at Aug. 31 last will probably show a lower market value for securities held.

Investment Income Down

Investment income for 1937-38, as well as profits from milling operations, will be lower. In the 1936-37 fiscal year income and profits from the company's investment account amounted to $724,000, of which $198,000 was profit on investments sold.

Early this year the common stock of the company was split on the basis of eight new shares for one old share. The new stock was placed on a dividend basis of $1 annually, which is equivalent to the rate of $8 per annum paid on the old shares, prior to the stock split.

Directors—J. W. McConnell, pres.; G. A. Morris, gen. mgr.; R. R. Dobell, Sir Montagu Allan, Sir Charles B. Gordon, Sir Herbert S. Holt, E. B Hosmer, Beaudry Leman, all of Montreal; F. K. Morrow, Toronto; S. T. Smith, Winnipeg. Sec.—H. K. Hepburn. Treas.—J. C. McLaughlin. Asst. sec.-treas. — H. Cranfield. Western mgr.—H. Sellers, Winnipeg.

St. Lawrence Flour

Net profit of St. Lawrence Flour Mills for the year ended Aug. 31, 1938, was not sufficient to meet preferred dividend requirements, being equivalent to only $3.12 a share on the preferred stock. This compares with $19.53 a share on the preferred in 1936-37.

Only once in the last 20 years have earnings been as low as in the past fiscal year, that being the year ended Aug. 31, 1925, when a deficit of $183,645 was reported. Last year was the first since 1925-26 in which the preferred dividend was not fully earned. Despite the drop in earnings the company paid the usual dividend on the preferred and common shares.

Balance sheet shows a reduction in current assets from over $1 million to $645,615 largely as a result of a drop in inventories. Inventories at Aug. 31 last are shown at $375,147 as compared with $834,666 in the previous year. Current liabilities are also down sharply, a bank loan of $470,000 having been eliminated. Accounts payable of $148,529 is the largest item in total current liabilities of $189,522. Working capital is $61,228 lower at $456,093. The reduction in working capital is due to payment of dividends in excess of earnings.

During the year, book value of goodwill and trademarks was reduced to $1 from $930,224. The book value of the common stock was reduced by a corresponding amount to $269,776.

Directors—D. A. Campbell, pres., Toronto; T. Williamson, vice-pres. & man. dir.; C. E. Gravel, G. W. Grier, J. Henri Labelle, J. J. McGill, C. H. Branchaud, all of Montreal. Sec. — D. M. Wilson. Treas.—J. P. Yendall.

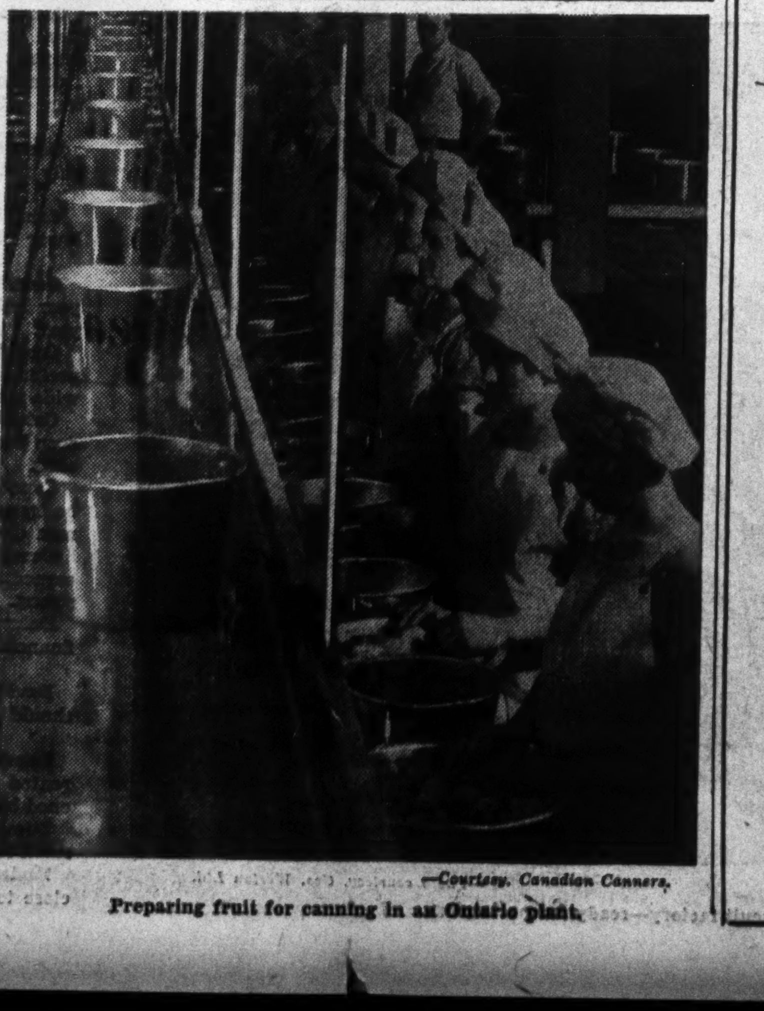
—Photo courtesy, Borden Co.

The dairy business relies more and more on the laboratory—making the moisture test in the manufacture of dry milk.

Flour Milling

Stocks:	Outstand. $	Earned Per Share 1937 $	Earned Per Share 1936 $	Div. Rate $	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield %
International Milling:								
1st Pref. par $100..	5,816,000	28.56	30.34	5.00	105	97	102½	4.9
2nd Pref. par $100	*1,000,000	....	....	...	..	..	..	..
Common, n.p.v. ..	92,577 shs.	12.38	12.04	nil	..	..	..	..
*Authorized, none issued.								
Lake of the Woods Milling:								
Pref. cum. non-red., par $100	1,500,000	d19.74	21.91	7.00	156	100	102	6.8
Common, n.p.v. ..	147,689 shs.	d2.72	1.51	nil	43½	10	15	..
Maple Leaf Milling:								
Class A Pref., n.p.v.	88,827 shs.	d*1.87	*0.20	nil	12¾	2⅛	4½	..
Common, n.p.v. ...	250,100 shs.	d0.91	d0.15	nil	11	1¼	2¼	..
Management, n.p.v..	3 shs.	....	....	nil	..	..	..	..
*Years ending July 31, 1938 and 1937.								
Ogilvie Flour Mills:								
Pref. cum. non-coll., par $100	2,000,000	*53.11	*46.54	7.00	168	145	158¼	4.5
Common, n.p.v ..	600,000 shs.	12.30	10.54	1.00	31	23	30	3.3
*Years ending Aug. 31.								
St. Lawrence Flour Mills:								
Pref. 7% cum., par $100	575,000	*d3.12	*19.53	7.00	145	135	140	5
Common, n.p.v. ..	36,000 shs.	d1.62	2.00	1.00	26	17	18	5.5
*Years ending Aug. 31, 1938 and 1937.								
Western Canada Flour Mills:								
Pref. cum. red., par $100	2,413,000	d*13.07	*3.01	nil	90	22	30	..
Common, n.p.v. ..	135,000 shs.	d1.17	d0.62	nil	12½	2	3	..
*Years ending July 31, 1938 and 1937.								

Bonds:	Int. Rate %	Maturity	Outstand. $	Times Int. Earned After Deprec. 1937	Times Int. Earned After Deprec. 1936
Lake of the Woods Milling:					
1st Mortgage	6	1941	†4,000,000	...	...
†Held by banks as collateral for loans.					
Maple Leaf Milling:					
1st Closed Mtge. S. F.	5½	1949	4,620,500	0.52	1.09



—Courtesy, Canadian Canners.

Preparing fruit for canning in an Ontario plant.

Food Stocks in Storage

Canadians are going into the winter with the national cellar piled high with butter, cheese and fish, but decidedly short in meats, especially beef.

October cold storage figures show total meat stocks improved over a month ago, but down about 17% from last year. In beef the decrease amounts to nearly 40%, with only 11 million pounds reported in storage this month as against 18 millions last fall. Pork is off about 10%, but stocks of lard show an increase.

Fish Stocks Heavy

Fish stocks, both fresh and frozen, have been heavy for several years and this fall there is a further moderate gain over 1937 and also over last month. Total storage is almost 30 millions or almost equal to combined stocks of pork and beef.

Since October a year ago butter stocks have jumped 10 million pounds, or almost 10%, to over 64 millions this fall. This is by far the largest accumulation in years. There was a gain of about 3 million pounds in the last month alone.

Cheese is also up substantially, but there is not a great deal of concern, because the normal producing season for this product is practically over and no further accumlation is expected.

Eggs are down sharply from a year ago and from last month, which explains present firm prices. October, of course, is a slack season for egg production, as spring chickens are only commencing to lay.

Cold storage figures in detail, as supplied by the Dominion Bureau of Statistics, are as follows:

Cold Storage Stocks
(Figures in millions)

	This month lb.	Last month lb.	Last year lb.
All meats	38	35	46
Pork	20	19.6	22
Beef	11	9.3	18
Lard	2.1	3.0	1.2
Fish	29.7	28.6	27.9
Butter	64.2	61.1	54.1
Cheese	46.5	43.4	43.2
Eggs	7.7	9.0	9.3

What Happens
TO AN APPLE
WHEN IT IS CUT?

When an apple is cut it wrinkles, becomes dry and loses its flavor rapidly. The same thing happens to coffee when the coffee bean is broken. That's why A & P Coffee is in the bean and ground only when you buy it. That's why A & P Coffee is coffee at its finest and freshest.

● 3 FAMOUS BLENDS ●

EIGHT O'CLOCK
Mild and mellow.

BOKAR
Vigorous and winey

RED CIRCLE
Rich and full-bodied

A&P FOOD STORES

A&P Coffee
THE LARGEST SELLING COFFEE IN THE WORLD

Eighty Years Young

A QUALITY PRODUCT never grows old. It keeps fresh in the minds of its users because they like it. And the new generations are told of its goodness.

Such is the consumer-satisfying product "BENSON'S PREPARED CORN" which, for eighty years, has been the favorite of Canadian Housewives.

Other products of the Canada Starch Company, with widespread consumer demand, include the famous "CROWN BRAND" and "LILY WHITE" Corn Syrups, "CANADA" Corn Starch, and "MAZOLA", the Salad and Cooking Oil.

●

THE CANADA STARCH COMPANY LIMITED
MONTREAL TORONTO

"NATIONAL" SERVICE
Essential to more than 12,000 Independent Retailers

●

Largest wholesale food distributors in the British Empire — National Grocers Company Limited continues to provide a vital service to more than 12,000 independent retailers — a service which plays a most important part in stabilizing the structure of Ontario's great food industry.

With 32 warehouses strategically located throughout the Province — a constant inventory of more than 4,000 different commodities — this vast organization's system of prompt and speedy deliveries equips these merchants — no matter where located — to meet competition on equal terms, and helps them to serve their customers with the world's finest products at the lowest prices consistent with high quality.

NATIONAL GROCERS
COMPANY LIMITED

AN ENTIRELY CANADIAN INSTITUTION

Head Office: 21 Front Street East, Toronto

BOARD OF DIRECTORS
Archie Foster, President and General Manager; M. D. Lemon, Vice-president; A. Marland Woolnough, Chairman; T. H. Kinnear, Secretary-Treasurer; D. Blain; Hon. George Gordon; W. H. Kenny; A. J. Major; W. G. McLauchlan; T. J. Medland; J. H. Simpson.

"CARRYING COALS TO NEWCASTLE"

How a Great Canadian Enterprise Became International in Scope

The story of the growth of George Weston Limited is one of the epics in the annals of Canadian industrial achievement. Few names are more familiar to housewives in the Dominion than Weston's and to-day this company occupies a dominating position as manufacturers of the finest English quality biscuits, as well as bread, pies, cakes and confectionery. Plants are located in seventeen strategic distributing centres throughout Canada, giving service to an ever-increasing number of Canadian homes. Having firmly established its products in the Dominion, George Weston Limited decided to "Carry Coals to Newcastle" — to manufacture and sell biscuits in England! And England — the country that is as famous for her biscuits as her battleships — has responded to the captivating quality that made Weston's Biscuits so pre-eminently popular in the Dominion. They must be good to have won such great international popularity!

Weston's
ENGLISH QUALITY BISCUITS
GEORGE WESTON LIMITED
TORONTO, CANADA

Miscellaneous Food Stocks

Demand Relatively Stable

Prices Determine Profits

A general slackening of trade and lower commodity prices has reacted unfavorably upon the operations of a majority of miscellaneous food companies. In most cases, however, the present revival of business and better sales prices will make operations in the latter part of the current year more satisfactory.

The prosperity of food manufacturers is dependent upon the fortunes of the corner grocery store and chain store. Vinegar manufacturers rely chiefly on the pack of canning companies.

Blue Ribbon Corp.

Blue Ribbon Corp. is a holding company, which through its subsidiaries, Pure Gold Manufacturing Co. Blue Ribbon, Ltd., and Willard's Chocolates, Ltd., is engaged in the manufacture and distribution of baking powder, spices, jelly powders, chocolates, etc.

As a result of declines in the prices of commodities, and the general recession in business in the Dominion lower earnings were reported by the company for the year ended June 30, 1938.

Dividends on the 6½% preferred stock have been paid at the rate of 4% per annum since Feb. 1, 1932, and arrears amounted to $242,531, or $8.12½ a share at May 1, 1938.

The company's current position is relatively strong and working capital has varied little over a period of years.

The company's products cover a wide range, and if there is any betterment in business, the organization is well equipped to take care of any increase.

Preferred stockholders of Willard's Chocolates Ltd. have been asked to sell their shares to Blue Ribbon Corp., in an effort to eliminate the minority interest.

Directors—J. M. de C. O'Grady, pres.; C. E. Spooner, vice-pres., Toronto; J. Ball, asst. sec., Winnipeg; Lt.-Col. J. F. Michie, A. C. Matthews, F. T. Moore, Toronto; Wm. Hood, Winnipeg. **Sec.-treas.**—J. C. Jamieson. **Asst. secs.**—J. Ball, W. K. Fraser.

Catelli Food

Disturbed markets as a result of declining commodity prices and higher labor costs resulted in lower earnings for Catelli Food Products in the year ended Nov. 30, 1937. As regards the income in the current year no official statement has been made. The company specializes in manufacture of macaroni, vermicelli and spaghetti.

Operating earnings of the company in 1936-37 amounted to $127,766, compared with $147,318 in the previous year. Net profit after all charges, amounted to $51,263, equivalent to 46 cents a share on the common stock. This compares with earnings of 80 cents on the common stock in the previous year. Earnings in 1936-37 were not quite sufficient to cover common dividend payments of 50 cents a share.

The 1936-37 annual report stated exports had been well maintained, but the president stressed that export business is dependent upon certain factors such as trade treaties and variations in the world wheat situation.

During the year there was a moderate improvement in working capital from $451,308 to $475,859. Accounts receivable increased from $140,757 to $179,262. Inventories declined during the year from $273,285 to $244,334.

Directors—Aimé Geoffrion, pres.; A. Bienvenu, vice-pres.; Paul Bienvenu, man. dir.; R. R. Dobell, W. W. Hutchinson, Alphonse Raymond, Henri Geoffrion, all of Montreal; J. Sirois, Quebec, P.Q.; I. Rader, Vancouver. **Secretary**—Peirce Murphy.

Muirheads

Annual statement for Muirhead Cafeterias, Ltd., for the year ended Feb. 28, 1938, has been held up longer than usual. Last year the report appeared on Aug. 27.

The statements of the company will show decreased earnings from the previous year.

There has been definite improvement in operations since the end of the year, and the company has implemented a programme of economy in operations.

There has been no payment on the 7½% preferred stock, of $10 par value since July 1 1932, and arrears totalled $4.50 a share at July 1.

Directors—H. A. Greene, chm.; A. S. Tindale, pres. & gen. mgr.; H. M. Millar, sec.-treas.; E. G. McMillan, Stuart Playfair, all of Toronto.

Canada Starch

Sales of Canada Starch Co. increased in 1937, but in the first half of the current year there was a slight decrease as compared with the corresponding period of last year. In recent weeks, however, the trend of sales has been upward.

Despite the larger volume of sales, profits were lower in 1937. Net profit for the year amounted to $247,811 as compared with $310,845 in the previous year.

During 1937 working capital declined from $1,556,464 to $1,389,554. This is due to capital expenditure of $239,688 and to payment of a common dividend out of accumulated profits.

Last year the company reduced the par value of its common shares from $100 to $25 to allow a reduction in goodwill from $1,186,500 to $296,625. The common shares were then split on the basis of five new $5 par value shares for each old $25 par value share.

Prior to subdivision of the common stock an initial dividend of $6 a share was paid on the old $100 par common. An initial dividend of 50 cents a share on the new $5 par common shares was paid in December, 1937.

Directors—G. F. Benson, chm., Montreal; G. F. Benson, Jr., pres., Montreal; J. J. Warren, 1st vice-pres., Toronto; Hugh Mackay, 2nd vice-pres.; W. B. Blackader, J. H. Hunter, E. B. Hosmer, Montreal; W. E. Dircks, W. L. Moran, New York. **Sec.-treas.**—B. S. R. Watson.

—Courtesy, Canadian Canners.

From cob to can. Competition has grown keener in the canning industry.

Miscellaneous

Stocks:	Outstand. $	Earned Per Share 1937 $	Earned Per Share 1936 $	Div. Rate $	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield %
Blue Ribbon:								
Pref. cum. red., par $50	1,492,500	*2.25	*3.65	2.00	40	25	28	7.2
Common, n.p.v. ..	63,475 shs.	d0.47	0.19	nil	6⅜	3	4	..
*For years ending June 30, 1938 and 1937.								
Canada Starch:								
Pref. non-cum., par $100	3,069,100	8.07	10.13	7.00	108	105	108	6.5
Common, par $5 ..	296,625	0.56	1.62	*0.50	25	6	7	..
*Initial, paid Dec. 27, 1937.								
Catelli Food Products:								
Pref. cum. red., par $15	600,000	1.28	1.67	0.75	11½	7	10	7.5
Common, n.p.v. ..	45,902 shs.	0.46	0.80	*0.25	11½	3	5	..
* Interim, paid May 31, 1938.								
Canada Vinegars:								
Common, n.p.v. ...	92,000 shs.	1.30	1.23	1.20	21	12	15	8
Muirheads Cafeterias:								
Pref. cum. S. F. red. par $10	55,220	*d2.38	*d3.86	nil	5½	3	3	..
Common, n.p.v. ..	78,710 shs.	d0.22	d0.32	nil	1¼	.10	.10	..
Years ending Feb. 28.								
Victoria Fruit Packing:								
Pref. 5% cum., par $10	25,000	Not available		...	..	..	..	..
Common, par $1 ..	4,433			nil	..	..	..	..
Willard's Chocolates:								
Pref. 6½% cum., par $100	474,000	*7.02	†8.76	nil	..	..	..	..
Common, n.p.v. ..	15,000 shs.	0.16	nil	nil	..	..	..	..
*Years ending June 30, 1938. †18 months ending June 30, 1937.								
National Biscuit & Confection:								
Pref. 7% non-cum., par $100	58,900	Not available		*	..	..	..	..
Common, par $100	25,000			*	..	..	..	..
*7% on preferred and common paid for years 1937 and 1936.								

Bonds:	Int. Rate %	Maturity	Outstand. $	Times Int. Earned After Deprec. 1937	Times Int. Earned After Deprec. 1936
National Biscuit & Confection:					
1st Mortgage	6½	1950	160,000	Not available	

Nat. Bisc. & Conf.

National Biscuit and Confectionery Co., Vancouver, manufactures and distributes plain and fancy biscuits and confectionery.

Net operating profit for the year ended Dec. 31, 1937, amounted to $30,812, after provision for bad debt, as compared with $32,948 for 1936.

At Dec. 31, 1937, assets totalled $356,582, including current assets of $83,532. Current liabilities amounted to $49,916.

Directors—L. H. Nicholson, pres. and man. dir.; H. S. Wilders, vice-pres.; Arnold Shiell, sec.-treas.; A. R. Fanning, T. G. Beattie, M. N. Young, all of Vancouver.

Willard's

Willard's Chocolates Ltd., controlled by Blue Ribbon Corp., manufactures all classes of solid chocolate products for domestic consumption and export.

In the year ended June 30, 1938, a net profit of $33,372 was shown, as compared with a net profit of $41,502 for the 18-month period ended June 30, 1937, Surplus forward was thereby increased to $89,100.

Dividends on the $474,000 of 6½% preferred stock were waived by holders up to March 1, 1935, and dividends were not resumed with the expiration of the waiver.

Blue Ribbon Corp. has asked preferred stock holders of Willard's the minimum price that they will accept for their shares. It is stated that Blue Ribbon proposes acquiring all the minority interests in the company and holds sufficient shares to entirely control voting.

Working capital increased to $306,583 at June 30, 1938, from $274,374 at the previous year end.

Directors—J. M. deC. O'Grady, pres.; C. E. Spooner, vice-pres. and man. dir.; F. G. Arnold, W. G. Henry. J. C. Jamieson, treas., Toronto. **Sec.**—W. A. Hill.

Victoria Fruit

Successor to Holsum Packing Co., Victoria Fruit Packing Co. Ltd., with head offices at Victoria, B.C., manufactures canned fruit, jams, jellies, pickles, sauces, etc.

Public interest in the company is somewhat limited, although traded in Vancouver markets.

Directors—H. C. Oldfield, pres.; A. L. Ford, Harold Thompson, Royal Oak, B.C.; Philip Holloway, Saanichton, B.C. **Mgr.**—Capt. E. Livesey. **Sec.**—J. E. Sladen.

Can. Vinegars

With the total Canadian vegetable pack running at practically the same levels as last year, it is believed that sales of Canada Vinegars will be near those of last year.

Sales of the company for the six months period ended May 31 were approximately the same as those of a corresponding period in the previous year. Costs of materials and labor were on about the same levels.

The company year terminates on Nov. 30. A fair increase was recorded in sales in the year ended Nov. 30, 1937, and profits were correspondingly better.

Lower prices have had an adverse effect upon earnings in the last three years, and dividends were reduced from $1.60 per annum to $1.20 annually with the payment of Mar. 2, 1936.

Directors—C. L. Carsley, Montreal, pres.; A. L. Spalding, vice-pres. and gen. man.; E. S. Scott, asst. gen. man.; P. L. Howell, sec.-treas.; W. E. Young, L. L. Carsley, Toronto; C. W. Batho, Montreal; E. A. Isard, Burlington, Ont.; E. L. Isard, Winnipeg; E. W. Howell, C. Fry, Norwich, Ont.

SERVICE!
Through The Years

The spirit of service can never grow old. Through the years HINDE & DAUCH have been motivated by a keen desire to serve . . . a quality product economically produced . . . sincere co-operation . . . square dealing . . . prompt delivery . . . these are but a few of the reasons why H & D corrugated shipping boxes are in continuous demand by the country's leading manufacturers.

57
HEINZ TOMATO KETCHUP
Campbell's
AYLMER
AYLMER
Canadian Product British Empire

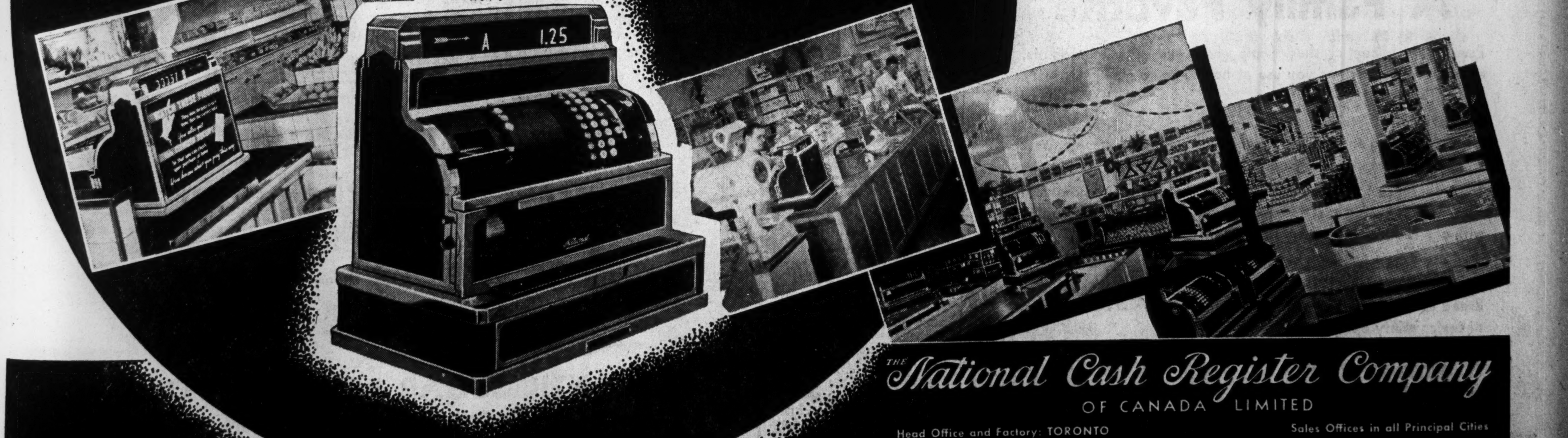
HINDE & DAUCH
CORRUGATED AND SOLID FIBRE SHIPPING BOXES
TORONTO TRENTON MONTREAL

CONTROL
A VITAL FACTOR IN CANADA'S BILLION DOLLAR INDUSTRY

BACK of Canada's Billion Dollar Grocery Business is the vital, organizing force of CONTROL. Producers, Wholesalers, Retailers . . . all are operating on a new basis of efficiency, made possible by modern facilities for controlling their business.

Today, the National Cash Register System is outstanding among modern facilities for its contribution to the efficiency of this gigantic grocery business. Established in plants, warehouses and stores throughout the Dominion, the National is eliminating losses . . . speeding up service . . . providing accurate and instantly accessible sales information . . . giving executives and merchants positive and profitable mechanical control of every transaction.

Whatever the size or type of your business, there's a National System to help you in conserving profits and supplying that vital sales knowledge that tells you always just where your business stands. Phone the National representative in your vicinity.



The National Cash Register Company
OF CANADA LIMITED
Head Office and Factory: TORONTO
Sales Offices in all Principal Cities
CASH REGISTERS • TYPEWRITING-BOOKKEEPING MACHINES • ANALYSIS MACHINES • BANK BOOKKEEPING MACHINES • CHECK-WRITING AND SIGNING MACHINES • POSTAGE METER MACHINES • CORRECT POSTURE CHAIRS

Packing and Canning Industries

Western Packers Hit by Livestock Shortage Canners Pack Smaller

While conditions in the meat packing industry in the East during the current year may be considered normal, activities in the West have been far from satisfactory.

Because of the almost complete crop failures in many areas of western Canada from 1933 to 1937, fodder was lacking and the farmers found it necessary to liquidate livestock before the winter. As a result abbatoirs found a dearth of cattle and hogs this year. Supply was approximately 50% of the demand and business has been severely restricted. This has particularly affected the export bacon trade.

Prices of hides and skins show considerable betterment from those of last year and packing concerns should benefit accordingly from this source of revenue.

Statements for Canadian packing companies in the current year may therefore be expected to reflect these conditions in lower earnings. With a normal crop in the Canadian West this fall, packing houses are looking to a substantial increase in hog and cattle production and considerable improvement in sales.

In the canning business, it is estimated that the total pack for the season will be slightly below that of last year. The vegetable pack has been completed and there remains only late fruits. Sale prices are somewhat lower and competition is stiffening. The lower price paid for packing products has been largely offset by higher price for tin plate. It is anticipated that with more Canadian sources available prices will become more satisfactory to canning organizations.

The amount of goods packed is rising steadily and the industry is constantly seeking new ways to increase its outlets. One larger manufacturer states that while produce processed during the present year declined from the previous year, the quantity was still 25% greater than in the best year of the twenties.

The industry as a whole is not expected to experience earnings equal to last year.

Burns & Co.

It is understood that earnings of Burns & Co. in the current year are not as satisfactory as those of the corresponding period in 1937, due partly to a shortage of cattle and hogs in the Canadian West. Difficulties of the same nature have been encountered by other companies operating in the same area.

Because of the shortage of fodder in 1937 livestock was reduced and volume handled by the company in the current year has been considerably curtailed.

Economic conditions and keener competition in the territory served have further added to the company's difficulties.

However, with an abundance of feed this year, it appears probable that livestock will be increased and adequate supplies should be reflected in better operations of the company next year.

Sales in the year ended Dec. 30, 1937, showed an increase over those of the preceding year. Operating profit decreased to $718,979 from $937,703 in 1936. Obligatory interest on bonds was earned 2.28 times after depreciation and income bond interest, 1.30 times in 1937. Interest on the income bonds becomes obligatory from Jan. 1, 1939, and sinking fund payments commence Jan. 1, 1940.

No dividends have been paid since the 1934 reorganization and none may be paid until net current assets are more than $3.5 millions.

Directors—John Burns, pres. and chm.; J. I. McFarland, A. C. Newton, W. Toole, Calgary; Col. A. M. Brown, Vancouver; W. S. Hodgens, E. G. Long, Toronto; A. E. Pequegnat, Waterloo; H. R. Milner, Edmonton. **Sec.**—J. H. Kelly. **Treas.**—W. C. Stemp.

B. C. Packers

British Columbia Packers is continuing to pursue a policy of progressive expansion, and various properties have been acquired and improved upon in the past year.

The outlook for canned salmon is considered brighter this year. Although British Columbia Packers are still handicapped in the British market by the Japanese product, B. C. salmon is selling in increased volume overseas. Tariff preference has been an important factor. Consumption of the Canadian product has increased in South Africa and Australia.

H. R. MacMillan, president, in the annual report, draws attention to the comparatively low net profit of the company. Net profit, Mr. MacMillan stated, on goods produced equalled one-tenth of one per cent per pound, "an entirely inadequate return for the capital employed and the functions performed."

Of the company's gross income, 1.2% was net profit; paid for fish, 41%; wages, 13.4%; goods, supplies and services, 39%, and depreciation, 5.4%.

Since the end of the fiscal year the company has effected further reduction in its funded debt. The principal of the 5% first mortgage debentures now stands at $135,000, a reduction of $53,500.

The company's 6% debentures were refunded at 5% in 1936, and the principal reduced to $221,000 from $253,000. Since that time the principal has been reduced by $85,500 to the present figure of $135,000.

Directors—H. R. MacMillan, pres.; Stanley J. Burke, vice-pres.; F. E. Burke, George Kidd; J. P. D. Malkin, W. J. VanDusen, A. C. Taylor, Gordon Farrell, all of Vancouver; J. H. Gundy, J. S. MacLean, of Toronto; A. H. Williamson, London, Eng. **Gen. mgr.**—J. M. Buchanan. **Asst. gen. mgr.**—S. K. Murray. **Sales mgr.**—E. G. Hurrell. **Sec.-treas.**—G. M. Ferguson.

Canadian Canners

While volume of sales in the year to date has been higher than for the corresponding period in the previous fiscal year, a number of factors make operations of the company less profitable. Prices of tinplate have been higher than last year, and prices received for merchandise have not been as satisfactory. These two unfavorable factors are set against a lower cost of produce and an unchanged wage scale.

The vegetable pack, the largest pack, has been completed and the company is engaged in packing late fruits, which will continue through to the end of December. Indications point to a total pack below last year's record.

Canadian Canners Ltd. is the largest concern of its kind in the British Empire, owning 56 canning factories in Ontario, four in Quebec, eight in British Columbia and one in Nova Scotia, and owns and operates farms in nine counties in Ontario.

Head office of the company is at Hamilton, Ont. Its large diversity of products are sold in Canada and abroad under various trade names, the best known of which is "Aylmer."

A record volume of production was experienced by this organization in the year ended Feb. 28, 1938, attributable principally to an increase in export business, as domestic sales decreased during this period.

Operations during the year were increased to such an extent that it was found necessary to reopen several factories that had been closed for a number of years.

Net profit for 1937-38 amounted to $723,028, as compared with $665,319 in the previous year, equivalent to earnings of $3.79 on the first preference stock, before taking into consideration participating features, and $1.46 on the second preference, as against $3.43 and $1.30, respectively in 1936-37.

At May 1, 1938, there was $720,000 of 3% first mortgage bonds and $2.4 millions of 4% first mortgage bonds outstanding. First preference stock, of $20 par value was outstanding to the amount of $3.8 millions at the same date, and there were 363,732 no par value second preference shares, and 137,784 no par value common shares. Interest was earned in the 1938 fiscal year 11.38 times before and 8.58 times after depreciation on the bonds.

Dividends on the first preference stock were paid at the required rate of 5%, and 45 cents was paid on the convertible second preference stock. Nothing has been paid on the common since Jan. 2, 1932. So far no participating dividend payments have been made.

The position of the second preference and common shareholders was improved in 1936 by refinancing the former 6% bonds at 3% and 4% and the dividend rate on the first preference was adjusted to 5%.

Inventories showed a considerable rise at the end of the fiscal year, being $1.3 million higher than at the previous year end, and amounting to $5.6 millions. Working capital totalled $4.8 millions, as against $4.5 millions at the close of the preceding year.

Directors—Avern Pardoe, chm., Toronto; W. R. Drynan, pres. & gen. mgr.; Aleck Leitch, Hamilton; Lt.-Col. W. G. MacKendrick, Oakville, Ont.; J. A. Northway, W. G. Lumbers, Toronto; G. C. Edwards, Ottawa; W. L. Innes, vice-pres., Simcoe, Ont.; E. A. Pearce, 2nd vice-pres., Picton, Ont. **Sec.-treas.** — P. Croucher, asst. gen mgr.; D. R. McCahill.

Meat Packing & Canning

Stocks:	Outstand. $	Earned Per Share 1937 $	Earned Per Share 1936 $	Div. Rate $	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield %
British Columbia Packers:								
Com., n.p.v.	*136,279 shs.	0.47	0.73	nil	22	9	13	..
*Of which 132,185.5 shares have been issued and the balance of 4,093.5 shares to be issued in exchange for shares in accordance with the scheme of reorganization dated Oct. 21, 1935.								
Burns & Co.:								
Cl. A pref., non-cum., n.p.v.	33,584½ shs.	0.83	5.82	nil	..	..	..	..
Cl. B., n.p.v.	109,554 shs.	...	‡1.13	nil	..	..	..	..
Management, n.p.v.	5 shs.	...	...	...	..	..	..	..
‡After giving effect to participating provisions.								
Canada Packers:								
Com., n.p.v.	200,000 shs.	*5.50	*7.61	3.00	98	58	71	4.2
*Year ended Mar. 31, 1938 and Mar. 25, 1937.								
Canadian Canners:								
1st pref., par $20	3,817,550	*1.20	*1.20	1.00	20⅛	13½	17½	5.7
2nd pref. con., n.p.v.	363,732 shs.	*0.99	*0.90	0.60	12⅛	6¼	7¾	7.7
Com., n.p.v.	137,784 shs.	*0.97	*0.75	nil	9¼	3	5	..
*After participating feature.								
Connors Bros.:								
Cl. A., n.p.v.	61,740 shs.	Not avail.		...	..	..	..	..
Cl. B., n.p.v.	4,410 shs.							
Maritime-National Fish (1937):								
6% Pref. cum., par $100	500,000	Not available		6.00	..	..	..	..
Common, n.p.v.	50,000 shs.			nil	..	..	..	..
Broder Canning:								
Pref. 7% cum., par $100	86,700	Not available		nil	..	..	..	..
Common, par $100	250,000			nil	..	..	..	..

Bonds:	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1937	Times Int. Earn. After Deprec. 1936
British Columbia Packers:					
1st Mtge. S. F. Debs.	5	1944	189,000	11.12	9.17
2nd Mtge. Debs.	*	1960	†1,050,000	...	...
*Non-interest bearing. †Issued and deposited as part security against bank loan of $1,148,747 and bills payable of $411,000, as at Dec. 31, 1937.					
Burns & Co.:					
1st Mtge. A	5	1958	*6,668,300	2.28	3.62
*On $3,358,450 5% interest is obligatory; on $3,309,850 interest is non-cumulative at 5%, payable to extent of 75% of available income for period to Dec. 31, 1938; bears obligatory interest at 5% after.					
Canada Packers:					
Collateral Trust	3¼	1939	750,000	8.96	11.07
Do.	3⅜	1940	750,000		
Do.	4	1946	3,000,000		
Canadian Canners:					
1st Mortgage	3	1938-42	900,000	8.58	6.23
1st Mtge. conv.	4	1951	2,420,000		

Canada Packers

With the opening of Canada Packers' newest plant at Vancouver in July, the company's continent-wide chain of plants was increased to eight, from Montreal to the Pacific coast.

Head office of the company is in Toronto, and other branches are located at Montreal, Peterborough, Hull, Winnipeg, Edmonton and Chicago. In addition there are branch plants in the principal cities and towns of the Dominion.

This plant marks the completion of a $2.5 millions programme of expansion started in 1936. The new $750,000 slaughtering, processing and packing establishment is being operated to supply the requirements of the British Columbia territory, and resembles closely the Edmonton plant, which was erected in 1936, at an approximate cost of $1 million.

The year ended Mar. 31, 1938, promised to be exceptionally good, and profits for the first seven months of the year exceeded those of the previous year by $100,000. But from November there was a substantial falling-off in earnings. Decline in prices of commodities caused an inventory loss of more than $500,000.

For the 1938 year net profit amounted to $1.1 million, a decrease from the $1.5 million shown in the preceding year. Earnings on the 200,000 common shares of no par value outstanding were $5.50 in 1938, and $7.61 in 1937. Total sales for the past year were $84.1 millions, a gain of $11.4 millions over the 1937 year, and net profit was equivalent to 1.3% of sales.

By redemption of $750,000 of collateral trust bonds during the year, the outstanding funded debt was reduced to $4.5 millions, comprised of $750,000 of 3¼% bonds, due Jan. 2, 1939; $750,000 of 3⅜% bonds, due Jan. 2, 1940, and $3 millions of 4% bonds, due Jan. 2, 1946.

Working capital fell to $5.8 millions at Mar. 31, 1938, from $6.7 millions at the close of the 1937 fiscal year, attributable chiefly to heavy expenditures in connection with the plant expansion programme. Inventories were shown at $8.7 millions, a reduction of $673,037 from the preceding year, and accounts receivable stood at $3.1 millions, as against $4.3 millions in 1937. Bank loans of $5.1 millions compare with $5.7 millions a year earlier.

Directors—J. S. McLean, pres.; E. C. Fox, T. F. Matthews, W. T. Harris, vice-presidents; S. G. Brock, sec.-treas.; N. J. McLean, gen. mgr.; W. S. Cameron, A. L. Laing, A. G. Hall, all of Toronto; G. S. Matthews, Peterborough.

Broder Canning

Broder Canning Co. Ltd., operates plants at New Westminster and Chilliwack, B.C., canning fruit, vegetables, soups, pork and beans and jams under the trade name of "Royal City."

There is a limited public interest in this concern, largely in British Columbia.

Directors—F. D. Mathers, pres. and gen. mgr.; H. C. Wade, sec.-treas.; C. W. Moore, sales mgr.; C. H. Reed, L. A. Lewis.

Maritime Fish

Maritime-National Fish (1937) Ltd. operates a fresh, smoked and frozen fish business and manufactures fish meal and allied products. Plants are at Digby, Halifax and Pt. Hawkesbury, N.S.

Operations have been handicapped at times in this past year by labor difficulties. Investment interest is limited.

Directors—J. MacG. Stewart, chm.; H. G. Connor, pres.; W. H. Boutilier, vice-pres.; H. V. D. Laing, sec.; W. I. MacDougall, all of Halifax; S. G. Matthews, Montreal. **Treas.**—W. C. Gemmell.

Connors Bros.

Connors Bros. Ltd., operator of one of the world's largest sardine packing plants at Blacks Harbour, N.B., does not publish a financial statement so that details of earnings are not available. However, profits are stated to be satisfactory. At present the company is paying a dividend of 50 cents a share on its class A and class B common stock and this is being earned by a comfortable margin.

Results in 1937 were satisfactory but sales in the current year will probably be somewhat lower. Domestic sales in the first half of the year were slightly ahead of the same period in 1937, but foreign sales were down slightly.

The company does a large proportion of its business in the export field. At the present time its products are shipped to more countries than any other Canadian product, including wheat. Continued efforts are being made to increase export sales.

A year ago the company completed a new fish cake, kippered snacks, and clam chowder plant. This plant will take up some of the employment slack during the inactive sardine season in the winter months. Establishment of this plant, and the introduction of new products, after careful laboratory tests, is in keeping with the company's policy to promote community stability.

Connors Bros. has an investment in plant and equipment amounting to about $2 millions. Direct employment is provided for over 600 people, while indirectly over 1,000 fishermen are dependent on the company for the sale of their catch.

Directors—A. N. McLean, pres.; L. V. Lingley, vice-pres.; J. M. Scovil, sec., Saint John, N.B.; A. M. A. McLean, treas., Blacks Harbor, N.B.; C. H. Easson, Toronto; Hon. B. M. Hill, Montreal.

THE BORDEN COMPANY, Limited of Canada

●

CANADIAN since 1902, Borden plants and distributing units have contributed to the advance and upbuilding of the dairy industry in Canada. Borden Canadian products today are not only distributed in many of the large cities in Eastern Canada in the form of fluid milk, in scores of communities in the form of ice cream, and throughout Canada in the form of condensed and evaporated and powdered milk. Borden dairy products originating on Canadian farms also reach forty British and foreign countries.

Through the years, Canadian exports of wheat may have risen and fallen and cheese exports may have declined. But the demand in other countries for Canadian whole milk in the form of "Klim" has been steadily expanding. Plants elsewhere than in Canada produce "Klim" but only Canadian "Klim" reaches markets outside Canada other than the United States and its possessions.

This operation is an illustration of the part that Borden plays in developing the Canadian dairy industry and is one way among many in which Borden's is a Canadian asset.

THE BORDEN COMPANY, Limited

SPADINA CRESCENT - TORONTO

HONEY
Crushed-Wheat
LOAF

Quality Ingredients Make This CANADA BREAD LOAF A Family Favorite

Pure clover honey, crushed whole wheat and other ingredients, as choice and fresh as you use at home, go to make this tasty loaf of brown bread.

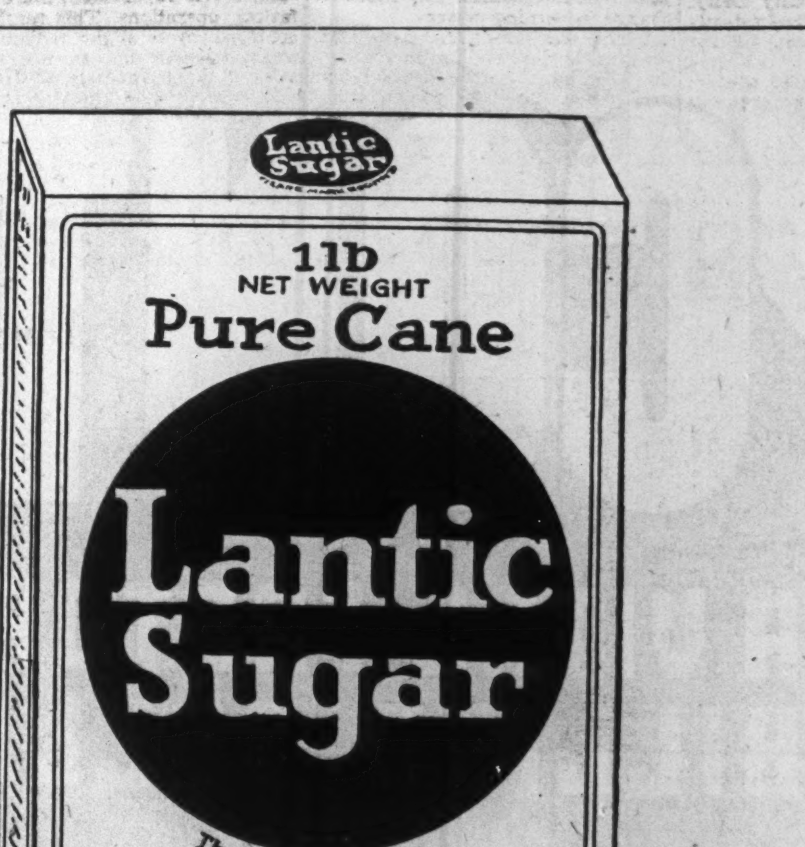
In all of Canada Bread products — cakes, rolls, pies, buns, sweet goods, wedding and banquet cakes — you will find the very best ingredients that can be found.

This adherence to quality and the meticulous care and great skill exercised in baking make Canada Bread products the favorites with our 126,000 customers throughout Canada.

Canada Bread products are many and varied. In cakes alone we have upwards of 100 varieties to offer you. Ask that Canada Bread products be served in your home — you will be delighted at their variety and fine flavor.

CANADA BREAD COMPANY, LIMITED

"The QUALITY Goes In Before The NAME Goes On"



"Lantic Sugar" a trade name that inspires consumer confidence and sales

ATLANTIC SUGAR REFINERIES LIMITED
MONTREAL—SAINT JOHN

Milk Distributors Face Difficulties

High Labor Costs, Price Regulations, Provide Problems — Spread is Small

The milk business is one of the least favored sections of the food industry, fighting a formidable set of adverse factors in an attempt to squeeze out profits.

Just how successful that fight has been is amply attested by the generally weak condition of the industry.

The difficulties are numerous: Extremely keen competition, narrow margin of profits, etc. Add to this the fact that the milk business is almost perpetual motion—there are 365 days in the year in which milk must be delivered, fluid milk is a perishable commodity and must be handled quickly and efficiently; delivered costs are relatively high and labor relations have not been entirely harmonious.

The supply of fluid milk is at its peak in the summer months, when the demand is at its ebb. Therefore the amount contracted for must allow a safe leeway between need and supply. Milk is supplied at different prices, to the wholesale outlets, hospitals and restaurants, and to the retail trade.

Agreements between producers and dairies must be sanctioned by a milk board in most provinces. While producers have been fairly well organized the dairy industry has not achieved the same degree of collaboration.

Competition from evaporated milk threatens to become a major factor when viewing the prospects for the industry.

Any betterment of conditions appears improbable and profitable operations will apparently be limited to the few organizations that are able to find answers to the many problems that beset the industry.

While fluid milk is the main product handled by urban dairy companies, minor by-product lines include butter, cheese, cream and ice cream, etc. Prices on these fluctuate widely during the year but turnover is so continual that heavy losses are usually avoidable, just as large profits are hardly possible. This is in sharp contrast to those privately owned companies which specialize in butter or cheese production and which because of this specialization face export and marketing problems completely different from that encountered by milk companies.

Acme Farmers

Acme Farmers Dairy, Toronto, controlled by Eastern Dairies, Ltd., distributes milk, cream and a full range of dairy products. Plants are situated at Toronto, Hamilton, Napanee and Sydenham, Ont.

Operations of the company have resulted in net losses in the last three years and surplus has been reduced to $333,404 at Mar. 31, 1938.

Sales for the 1938 fiscal year increased in both volume and dollar value over the previous year, and prices for its products were higher. Net operating profit for 1938 amounted to $93,188, as compared with $40,626 in 1937.

Directors—W. R. Aird, pres. and man. dir., Toronto; Hon. G. S. Henry, vice-pres., Todmorden, Ont.; J. G. Cornell, Scarboro, Ont.; Bower Henry, Ottawa; D. H. McDougall, Toronto. **Sec.-treas.**—E. W. King.

Edmonton Dairy

Profits of Edmonton City Dairy, Ltd., have remained relatively steady during the past three years, and for the year ended Mar. 31, 1938, net earnings amounted to $65,695, as compared with $64,950 in the previous year.

Over a period of years the operations of the company have not been satisfactory, and preferred dividend requirements have not been fully covered since the year ended Dec. 31, 1933.

In the past year various adjustments were made totalling $25,936. reducing balance of surplus account to $21,010.

Dividends on the 6½% preferred shares have been paid at the rate of 5% per annum since the quarterly payment of $1.25 on Jan. 2, 1937. Arrears at Oct. 1, 1938, totalled $3 a share.

The company is engaged in the distribution of dairy products in Edmonton, Alta., as well as through northern Alberta and the Canadian West. Control is held by Dairy Corp. of Canada.

Directors—W. W. Prevey, pres. and gen. mgr., Edmonton; J. A. Caulder, vice-pres., Toronto; F. J. Reynolds, asst. gen. mgr. & sec.; H. P. Madsen, W. A. Thomson, H. M. E. Evans, Edmonton; Chas. Burnell, North Edmonton. **Office mgr. and treas.**—F. Bottomley.

The Borden Co.

The Borden Co. is a holding and operating company engaged in all branches of the dairy industry in Canada and the United States.

Dividends were changed from a quarterly basis to an interim one with the payments of 30 cents on June 1, 1938. On Sept. 1 another interim dividend of 30 cents was paid, bringing disbursements to the year to $1. Payments totalled $1.60 in 1936 and 1937. Dividends have been paid each year since 1899.

The company reported earnings of $2.8 millions for the six months ended June 30, 1938, against $2.9 millions for the corresponding period of 1937, equivalent to earnings per share of 64 cents and 65 cents, respectively.

Through a subsidiary, Borden's Ltd., the company has wide interests in Canada operating the following companies:

The Borden Co. Ltd., City Dairy Co., Ltd., Caulfields Dairy, Ltd., The Drimilk Co., Ltd., Toronto; Hamilton Pure Milk Dairies, Ltd., Hamilton; Ottawa Dairy Ltd., Château Cheese Co. Ltd., Laurentian Dairy Ltd., Ottawa; Walkerville Dairy, Ltd., Windsor, Ont.; Borden Farm Products Co., Ltd., J. J. Joubert Ltée., Halls Ltd., Toronto; Borden's Niagara Dairies, Ltd., Niagara Falls, Ont.

Directors—T. G. Montague, pres.; C. E. Beardslee, vice-pres.; G. M. Waugh, Jr., vice-pres., New York; G. G. Thompson, vice-pres., Toronto; Hon. C. C. Ballantyne, Napoleon Charest, Sir Charles Gordon, Hon. Donat Raymond, Montreal; G. C. Edwards, Ottawa; Hon. S. C. Mewburn, Hamilton; S. J. Moore, Britton Osler, Toronto; H. H. Walker, Detroit, Mich. **Vice-pres. i/c Sales**—H. J. Mountrey, New York. **Treas.** — E. L. Noetzel, New York. **Sec.**— W. H. Rebman, New York. **Asst. treas.**—Geo. Bittner, H. K. Kramer, New York. **Asst. sec.**—T. D. Waibel, New York.

Eastern Dairies

Earnings of Eastern Dairies Ltd., in the current year show no particular change from a year ago. Returns for the Winnipeg and Hamilton subsidiaries are slightly higher than last year, but earnings in Toronto are down moderately. In Montreal and Ottawa there is little change.

Results for the balance of the year will depend upon prices set by the Dairy Boards in Ontario and Quebec. However, it is thought the present year will not witness any material change in earning power.

In the year ended March 31, 1938, the company earned its bond interest 1.79 times before depreciation and 0.49 times after depreciation. In the previous year it earned bond interest 1.33 times before depreciation and 0.02 times after depreciation. Net loss for the year amounted to $101,565 as against $179,141 in the 1936-37 fiscal period.

In each of the past three years no earnings have been shown on the preferred shares. Furthermore, it is not likely there will be any earnings on the preferred in the current year. However, it is felt the decline in earnings has been stopped.

Directors—W. R. Aird, pres. & man. dir.; P. A. Thomson, vice-pres.; A. J. Nesbitt, C. B. Price, all of Montreal; Bower Henry, Ottawa. **Sec.-treas.**—E. W. King.

Silverwood Dairies

Silverwood Dairies, Ltd. is engaged in the sale, retail and wholesale, of milk, cream and dairy produce in Ontario. Since Mar. 28, 1936, all the subsidiary companies were consolidated into one operating company in accordance with a plan of reorganization. The charter of Silverwood's Limited was surrendered on Oct. 17 leaving only two subsidiary charters in existence.

Although sales of the company have shown improvement in recent years profits have contracted, principally because of higher costs, due to higher cost of raw materials and increased taxation. The sales tax on ice cream, particularly, has been a burden to the company.

Sales of the company and its subsidiaries for the year ended Apr. 2, 1938, amounted to $7.2 millions, as compared with $6.7 millions in the preceding fiscal year period.

An initial dividend of 20 cents was paid on July 15, 1938, on the 40-cent cumulative preferred stock, and another similar disbursement was made on Oct. 1. Arrears on the stock amount to 60 cents a share.

The common shares are entitled to the same cumulative dividends as the preferred but before payments can be made there must be no arrears on the preferred.

Directors—A. E. Silverwood, pres.; W. E. Robinson, vice-pres.; J. H. Duplan, gen. mgr.; J. H. Gillies, sec.-treas.; R. G. Ivey, E. G. Silverwood, London, Ont.; E. K. Reiner, Wellesley, Ont.; E. W. Nesbitt, Woodstock, Ont.; W. H. Carruthers, Dr. L. E. Pollock, T. R. Harrison, Toronto.

Dairy Corp.

Dairy Corp. of Canada is making gradual progress toward some settlement of its involved banking situation. Statements for the year ended Mar. 31, 1938, are held up pending a satisfactory plan to straighten out the loan.

The position of the bondholders and shareholders of the company will consequently not be cleared up until the first step has been taken and the way opened up for a readjustment of the company's capital structure.

It is expected that when the annual report appears an increase in sales of approximately $100,000 will be shown and the picture generally will be improved.

The company owns or controls dairy companies operating in Toronto, Winnipeg, Saskatoon, Regina and Edmonton and holds investment interest in various other companies.

The showing for the past year would have been much more satisfactory had it not been for labor trouble at Canada Dairies, Toronto. Sales at this subsidiary declined about $100,000 from the previous fiscal year, and expenses were greatly increased. The four western subsidiaries experienced more satisfactory operations. This result was achieved by a slight reduction in total expenses and an increase in sales of approximately $200,000.

At Mar. 31, 1938, there were $655,600 of 6% 20-year debentures of Dairy Corp. outstanding in the hands of the public. In addition $60,000 was held by subsidiaries and $484,000 was pledged as security for bank loans. Secured loans amounted to $423,337, and loans of Canada Dairies at the same date, partly secured totalled $194,000.

Interest on the debentures is being paid in class A shares, on the basis of one share for each $3 of interest falling due from July 1, 1936, to July 1, 1938, inclusive. This arrangement of payment of debenture interest was made in the reorganization of 1934.

Canada Dairies, Toronto, defaulted on its first mortgage bond interest on July 1, 1938, and it is considered likely that some proposal will be placed before the bondholders and shareholders in the near future to arrive at a settlement.

Net loss for the year ended Mar. 31, 1937, amounted to $48,793, compared with a net profit of $6,131 in the year ended Mar. 31, 1936, and losses in each of the preceding three years. Best earnings of the company for a full year were in 1931 when a profit of $84,296 was shown.

Fixed charges were earned 0.28 times in the 1936-37 fiscal year, as compared with 1.15 times in the previous year.

Directors—J. A. Caulder, pres. and man. dir.; R. A. Daly, vice-pres.; H. W. Tasker, sec.-treas.; W. P. Fess, R. N. Bryson, H. G. Stapells, E. H. Tanner, W. S. Sewell, Toronto.

Crescent Creamery

Crescent Creamery Co., Winnipeg, operates the oldest and largest general dairy business in Manitoba. Its products consist of milk, cream, butter, butter-milk, ice cream, cheese and milk powder. Eastern Dairies owns all the common stock.

Directors—W. R. Aird, pres., Montreal; D. M. Aird, vice-pres. & man. dir., Winnipeg; E. W. King, sec.-treas., Montreal; H. S. Sellers, C. C. Wardrope, Winnipeg.

United Dairies

United Dairies Limited controls or owns 20 creameries in Alberta and British Columbia.

Statement of income and expenditure for the year ended Mar. 31, 1937, showed aggregate profit, less lossses, of subsidiary companies of $37,232, other income, $167; expenses of $2,440; net profit, $34,958.

First preferred 6½% cumulative stock, of which 7,522 shares were outstanding at Dec. 31, 1937, were converted during the year into 5¼% first mortgage bonds. The 6% cumulative second preferred shares were converted share for share into 5% cumulative preferred.

Dairy Corp. of Canada owns 5,000 common shares or 10% of the capital but does not control the company.

Directors—T. M. Carlyle, pres. and gen. mgr., Calgary; D. J. Morkeberg, vice-pres., Markerville, Alta.; Mrs. J. W. Carlyle, H. A. Howard, R. W. Ward, J. T. Burns, W. M. Henderson. **Asst. gen. mgr.**—E. E. Peterson. **Sec.**—E. Richardson.

Toronto Dairies

Toronto Dairies Ltd. was organized to acquire and operate a dairy business in Toronto on co-operative lines. The company is jointly controlled by producers and consumers.

Financial statements are not made public. No dividends have been paid on the 7% preferred stock since Apr. 1, 1931.

Directors—W. A. Dryden, pres., man. dir.; Geo. E. McCann, sec.-treas.; T. A. Murphy, F. W. Hambly, Dr. G. Hyland, Toronto; Geo. E. McCann, sec.-treas.

Highland Dairy

Highland Dairy, Ltd., does a wholesale and retail business in milk, cream, ice cream and all dairy products, and in addition operates two dairy stores in Toronto.

Dividends on the 7% preferred stock were deferred on Apr. 1, 1938, and nothing has been paid since.

Directors—F. F. Appleton, pres.; R. J. MacDonald, vice-pres. and man. dir.; M. M. Kennedy, sec.-treas.; D. C. Kay, Toronto; Talmage Bryan, Sunderland, Ont.

Carnation Co.

Carnation Company prepares and sells, directly and through subsidiaries, evaporated milk and other milk products, cereals, feeds, etc., in the United States and Canada.

The company experienced a moderate decline in earnings in the year ended Dec. 31, 1937, although unit and dollar volume of sales of all its principal products showed an increase. Net sales amounted to more than $58.5 millions, an increase of 12.03% over the previous year.

Dividends were again earned by a wide margin on the 5% preferred shares, principal security of interest in Canada.

Directors—E. A. Stuart, chm., Los Angeles; E. H. Stuart, pres. & treas.; P. G. Kinzer, J. F. Douglas, A. M. Ghormley, vice-pres's., Milwaukee, Wis.; W. C. Cross, vice-pres.; J. A. Wilkinson, Oconomowoc, Wis.; R. H. Fullerton, New York; Walter Kasten, Milwaukee. **Asst. vice-pres. and asst. treas.**—W. N. MacBriar. **Sec. and asst. treas.**—E. S. Hartwick.

Quinte Milk Products

Quinte Milk Products Ltd., Wellington, Ont., manufactures and sells casein, milk sugar and albumilk in addition to ordinary products. The plant was erected in Wellington during 1928. A wholly-owned subsidiary, Quinte Creameries Ltd., operates in Toronto, distributing sweet cream, ice cream mix and other milk products.

Casein is processed from skim milk and used for coated paper production, leather manufacture and shoe black.

A capital reorganization was effected in Mar., 1937, and 7% preferred stock with arrears of 45½% were exchanged into new common stock on the basis of 20 shares of new common for one old preferred. Capitalization is now 36,000 common shares.

Operations of the company and its subsidiary during the year ended Dec. 31, 1937, were more satisfactory, with the organization showing a small profit in that year, as against a loss in 1936.

Working capital position was appreciably stronger, with cash amounting to $20,983, as compared with $9,790 at Dec. 31, 1936.

Officials of the company report that the organization is continuing to make progress in operations.

An initial dividend of 7½ cents a share was paid on the new common stock on Feb. 1, 1938, and similar disbursement was made on Sept. 1.

Directors—L. Richardson, pres.; J. M. Hartwick, vice-pres.; F. L. Bell, sec.-treas.; Wellington, Ont.; L. Shier, W. R. Salter, Toronto.

Dairy Products

Stocks:	Outstand. $	Earned Per Share 1937 $	Earned Per Share 1936 $	Div. Rate $	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield %
Borden Co., Ltd. (wholly owned by the Borden Co.):								
Com., par $100	*40,000 shs.	Not avail.		...	..	..	..	..
*All owned by parent company, except directors' qualifying shares.								
Carnation Co.:								
1st pref., par $100 ..	3,889,200	46.55	48.96	5.00	107	95	104	4.8
Com., n.p.v.	*609,577 shs.	2.65	2.83	1.00	..	..	..	..
*Not including 18,429 shares issued and held in the treasury.								
Dairy Corporation of Canada:								
Cl. A, com., n.p.v. .	*67,024 shs.	†d0.56	†0.08	nil	..	..	..	..
Cl. B, com., n.p.v. .	*33,520 shs.							
*In addition there are 8,883 Class A and 2,280 Class B held by subsidiaries, and 8,085 Class A shares held by bank for Canada Dairies. †Years ended Mar. 31.								
Edmonton City Dairy (Controlled by Dairy Corp.):								
Pfd. 6½% cum., par $100	773,300	*4.70	*4.57	5.00	..	..	..	..
Common, n.p.v. ..	30,000 shs.	d0.46	d0.50	nil	..	..	..	..
29,474 common shares and 5,252 preferred owned by Dairy Corp. *For years ending Mar. 31, 1938 and 1937.								
Canada Dairies (Controlled by Dairy Corp. of Canada):								
Pref. 6% cum., par $100	†410,000	‡1.28	‡2.28	nil	..	..	..	..
Com., n.p.v.	*50,000 shs.	d0.39	d0.30	nil	..	..	..	..
†$353,500 par value is owned by the parent company. *46,402 shares owned by parent company. ‡Years ended Mar. 31.								
City Dairy (Controlled by Dairy Corp. of Canada):								
Com., n.p.v.	*30,000 shs.	†d0.15	...	nil	..	..	..	..
*All owned by Dairy Corp. †Years ended Mar. 31.								
Eastern Dairies:								
7% pref. cum., par $100	2,500,000	*d2.42	*d4.27	nil	30	3½	5	..
Com., n.p.v.	100,000 shs.	d3.95	d4.73	nil	5	.55	.90	..
Years ended Mar. 31, 1938 and 1937.								
Acme Farmers Dairy (Controlled by Eastern Dairies):								
Pref. 7%, par $100 ..	700,000	*d8.85	*d16.55	nil	..	..	..	..
Com., n.p.v.	83,420 shs.	...	...	nil	..	..	..	..
All common stock owned by Eastern Dairies, with exception of directors' shares. *For years ended Mar. 31, 1938 and 1937.								
Crescent Creamery (Subsidiary of Eastern Dairies):								
Pref. 7% cum., par $100	1,000,000	†8.93	...	nil	..	..	..	..
Com., n.p.v.	50,000 shs.	...	...	nil	..	..	..	..
Common stock all owned by parent company. †For year ended Mar. 31, 1937.								
Quinte Milk Products:								
Com., n.p.v.	36,000	...	...	*.07½	..	..	..	..
Option to Oct. 31, 1939, held by officers of company to purchase up to 3,500 shares at $2.25 per share. *Initial on new stock paid Feb. 1, 1938.								
Silverwood Dairies:								
Pref. cum. part., n.p.v.	145,000 shs.	*0.61	*0.50	0.40	4¾	1¾	3½	11.4
Com., n.p.v.	176,596 shs.	0.17	0.08	nil	2	.50	1¾	..
*For years ended Apr. 2, 1938 and 1937.								
United Dairies:								
Pref. 5% cum., par $100	400,000	Not avail.		...	..	..	..	..
Com., n.p.v.	50,000 shs.							
Toronto Dairies:								
Pref. 7% cum., par $10	103,000	Not available		nil	..	..	..	..
Common, n.p.v. ...	50,000 shs.			nil	..	..	..	..
Highland Dairy:								
Pref. 7% par $100	154,000	Not available		nil	..	..	..	..
Common, n.p.v. ..	19,534 shs.			nil	..	..	..	..

Bonds:	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1937	Times Int. Earn. After Deprec. 1936
Carnation Co.:					
Notes (Albers Bros.)†	3	1939-42	600,000	*47.48	*67.04
*All interest earned. †Guaranteed by Carnation Co.					
Dairy Corporation of Canada:					
S. F. Debentures	6	1954	*655,600	†0.28	†1.15
*With public. In addition $60,000 with subsidiaries; $484,400 pledged as security for bank loans. †Fixed charges.					
Canada Dairies (Controlled by Dairy Corp. of Canada):					
1st Mortgage	6	1951	*126,900	1.37	1.55
*$43,700 is held in escrow by banks to pay off two mortgages totalling $38,524.					
City Dairy (Controlled by Dairy Corp. of Canada):					
Prior Serial Mtge.	5	1937-41	100,000	4.40	...
1st Mtge. S. F.	5	1956	408,200	0.83	...
Gen. Mortgage	6	1956	107,175	nil	...
*Based on full year's interest charges on amounts outstanding Mar. 31, 1937.					
Eastern Dairies:					
1st Coll. Tr. Conv. A	6	1949	2,718,000	0.49	0.02
Acme Farmers Dairy (Controlled by Eastern Dairies):					
Debenture Notes	7	1949	*700,000	...	...
*All held as collateral for parent company's funded debt.					
Silverwood Dairies:					
1st Closed & Ref. Mtge. A	5	1939-51	960,000	†4.49	†4.18
Reg. S. F. Debs.	6	1966	1,450,000	2.21	2.04
*For years ended Apr. 2, 1938 and 1937. †Interest on bonds and old debentures.					
United Dairies:					
1st Mortgage	5¼	1956	899,400	Not available	

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115 Markets & Groceterias Throughout Ontario

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Leamington
Lindsay
3—London
Midland
Newmarket
New Toronto
2—Niagara Falls
North Bay
Oakville
Owen Sound
Orillia
2—Oshawa
6—Ottawa
Peterboro
Sarnia
2—St. Catharines
2—St. Thomas
Simcoe
Stratford
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52—Toronto
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LOBLAW GROCETERIAS CO., LIMITED

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EST. 323
50 LBS. NET
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"HIAWATHA" Brand Canned and Evaporated Apples are enjoying increasing acceptance with the trade and the consumer both at home and abroad.

As evidence of this is the above shipment photographed by The Financial Post in Sweden.

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CHASE & SANBORN COFFEE
MAGIC BAKING POWDER
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TENDER LEAF TEA
GILLETT'S CREAM TARTAR
MAGIC SODA
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LEADERS IN THE MARCH of QUALITY

CANADIAN CANNERS LIMITED have for over a quarter-century set the QUALITY pace for the canning industry in Canada. Tireless attention to the development of better things PLUS a readiness to adopt all practical improvements, have resulted in the traditional excellence, and consequent Empire-wide supremacy of AYLMER Brand.

CANADIAN CANNERS LIMITED Were

1ST in the industry in CANADA to inaugurate their own research laboratory —

1ST to engage a graduate dietitian —

1ST to place a certificate of quality on Jams, Jellies and Marmalades —

1ST to employ enamel-lined sanitary cans —

1ST to improve quality by use of modern sanitary canning equipment —

1ST to equip employees with service uniforms —

1ST to operate experimental farms for improvement of strains of fruits and vegetables —

1ST to supply growers with improved and certified seeds —

1ST to grow and pack Pimientos — heretofore regarded as strictly tropical —

1ST to pack Strained Fruits, Vegetables and Soups for infant feeding —

1ST to pack Chopped Fruits and Vegetables for "Juniors" —

1ST to pack sugarless fruits, etc., for diabetic treatment —

1ST to pack whole kernel corn by vacuum pack process —

1TS to pack Corn-on-the Cob —

1ST to pack Pineapple, Grapefruit and Grapefruit Juice —

1ST to pack Italian Plum Style Tomatoes — having brought seed from Italy—

1ST to pack Solid-pack Apples and Applesauce —

1ST to pack Grape Juice and Candied Peels in tins —

1ST to nationally advertise complete range of Canadian Canned Foods.

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Bread Price Drop Shrinks Baking Earnings

Biscuit and Confectionery Divisions Fare Better—Hold Last Year's Gains

Conditions in the baking business have been more favorable in the current year than in 1937, when the prices of commodities were substantially higher. For the first half of the year bread manufacturers experienced good profits, but a cut in the prices of bread has contracted the margin of profit, and it may be reasonably expected that earnings for the last half of the year will not be as satisfactory as those in the first six months.

Price cutting of bread, originating in the chain store field, brought about reductions in unbranded lines up to 3 cents a loaf, which is not felt to be warranted by the price decline of flour. Sale price of delivered bread subsequently was lowered one cent.

Metropolitan areas are naturally the field of baking industry activities. Consequently competition is very keen among the manufacturers of bread, cakes, biscuits, confectionery.

Sales of biscuits and confectionery are running along at about last year's levels.

Inter-City Western

Assets of Inter-City Western Bakeries were recently acquired by George Weston Ltd., for $629,988 in cash.

Proceeds of the sale will be distributed to bondholders and to preferred and common shareholders of Inter-City Western Bakeries. Under the plan, the first mortgage bondholders will receive $597,042, or $41 for each $100 principal amount of bonds. Preferred shareholders will receive $15,954, or 51¼ cents per share, and common shareholders will receive $1,537, or 10¼ cents a share.

To operate the company's chain of bakeries in western Canada, George Weston Ltd. has incorporated as a wholly-owned subsidiary Weston's Bread and Cakes (Canada) Ltd., with head office in Winnipeg. The entire capital stock of this company, consisting of 10,000 shares of no par value, is held by George Weston Ltd.

For the year ended Jan. 29, 1938, Inter-City Western Bakeries reported net earnings, before bond interest and depreciation, of $65,652 as compared with $82,862 in the previous year. Loss for the year after bond interest and depreciation amounted to $79,900 as against $61,337 in the year ended Jan. 30, 1937.

Directors — Hugh Mackay, pres.; M. A. Thomson, vice-pres.; W. C. Pitfield, E. G. Smith, Montreal; Thomas Cull, J. B. Faulkener, Winnipeg. Sec.-treas. & gen. mgr.—W. R. Grant. Asst. sec.-treas.—J. A. Weldon.

Viau Ltd.

Improvements in machinery and changes in management policy have resulted in lower costs for Viau Ltd., Montreal biscuit and confectionery manufacturer. As a result profits of the company increased in the year ended Jan. 31, 1938, despite a smaller volume of sales.

Net profit for the year amounted to $63,102, compared with $43,888 in the previous 12 months. This is equivalent to 35 cents a share on the common stock whereas there were no earnings available on the common in the 1936-37 fiscal year.

Working capital at Jan. 31 last amounted to $461,312, compared with $424,524 in the previous year. Cash increased from $27,454 to $92,380 while current liabilities were reduced from $92,563 to $75,661.

Since liquidation of arrears of dividends on the preferred stock by revision of the capital structure in 1936, preferred dividends have been paid regularly. No dividends have been paid on the common shares.

Directors—J. E. Labelle, pres.; Albert Hudon, vice-pres.; Roger Viau, C. E. Geoffrion, Guy Perron, J. A. Lemieux, all of Montreal. Sec.—Alfred Robitaille.

David et Frere

Both sales and profits of David et Frere, Montreal biscuit and confectionery manufacturers, are running ahead of last year. Sales to date are about 4% higher than in the same period of 1937. Profits before provision for income tax are about 60% higher.

Improvement in profits is largely due to the lower cost of ingredients in biscuits and candy. Indications are the company will report a net profit of between $50,000 and $60,000 for the year which ends Dec. 31 next. Last year it reported a net profit of $32,615, equivalent to $1.42 a share on the class A stock. This year profits will exceed $2 a share on the class A stock.

During the past two years there has been steady improvement in the company's working capital position. In 1937 working capital increased to $157,340 from $127,421.

As a result of improvement in earnings the company resumed dividends on its class A stock in 1937. Last year it paid 25 cents a share and in the current year to date 50 cents a share has been paid.

Directors—De Gaspé Beaubien, pres.; L. R. Philie, gen. mgr.; Emilien Gadbois, F. A. Beique, G. O. Soucie, all of Montreal.

Burry Biscuit

Burry Biscuit Corp. manufactures and sells "Educator" crackers and English type sweet biscuits in the United States with plants in Chicago and Linden, N.J. First operations began at Chicago and following the encouraging reception of its products operations have spread to the eastern and southern states.

It was reported that business of the company after starting slowly in the year ending Oct. 30, 1938, has turned upward and that a net loss incurred earlier in the year has nearly been eliminated. Present indications are that a profit will be shown.

Manufacturers of biscuits will benefit this year from the lower costs of ingredients, although sales volume may not show an increase.

Directors—G. W. Burry, pres., Hillside, N.J.; G. W. Fraser, vice-pres. & treas.; R. D. Strawbridge, sec., Cranford, N.J.; S. C. Ross, Buffalo, N.Y.

Barker's Bread

Barker's Bread Co. acquired Bredin's Bread Co. through purchase by cash and stock, and obtained control of Manning Biscuit Co. in the year ended Apr. 16, 1938. Manufacturing operations are carried out in adjacent plants in Toronto.

It was stated in the annual report that the combined sales of the three concerns are over double the sales of Barker's Bread alone, and it is anticipated by officials that greater sales volume and economies in joint manufacturing activities will result in increased profits.

Competition in the bread business in Toronto is very keen. Decline of bread prices reacts unfavorably on the company's earnings, but will be offset to some extent by lower flour costs. A substantial proportion of the business of Manning Biscuit Co. is conducted in Canada and world markets, and is not subject to the same conditions as the bread business.

Assets of the company at Apr. 16, 1938, totalled $1.4 million, as compared with assets of Barker's Bread, Ltd. at Mar. 31, 1937, of $898,696. Working capital decreased to $50,272 from $116,518; cash decreased to $2,586, from $113,536; accounts receivable increased to $131,077 from $38,342; fixed assets to $883,673 from $491,005, and accounts payable and accrued charges to $192,047 from $44,562.

Directors — H. B. Manning, pres.; E. H. Bredin, vice-pres. & gen. mgr.; J. B. White, R. B. Phipps, treas., Toronto; G. W. Burry, Linden, N.J.; Eileen Crossman, sec.

Inter-City Baking

Operating results of Inter-City Baking Co. have been satisfactory. However, no official statement has been made as to the level of earnings in the current year. The company is a subsidiary of Lake of the Woods Milling.

In the year ended Jan. 31, 1938, net profit of the company amounted to $64,833, as compared with $75,330 in the preceding year. The reduction was due to an increase in employees' wages and a rise in the cost of ingredients.

First mortgage bonds outstanding have been reduced by $40,000 to $1,169,500 since Jan. 31 last. Bond interest in the 1937-38 fiscal year was earned 3.6 times before depreciation and 2.1 times after depreciation.

Working capital increased from $328,707 to $369,927 during the year ended Jan. 31, 1938. Cash on hand, accounts receivable and inventories showed an increase, as did accounts payable, while investments and provision for taxes decreased.

During the 1937-38 fiscal year the company paid common dividends of $2 a share. During the current year the dividend rate has been increased as $1.25 a share was paid on July 31. This compares with the last previous payment of $1 a share on Dec. 10, 1937.

Directors—F. S. Meighen, pres.; J. W. Pyke, vice-pres.; C. H. G. Short, gen. mgr.; D. A. MacInnes, asst. sec.-treas.; Hugh MacKay, R. W. Reford, all of Montreal; C. W. Cotter, Ottawa; R. G. Cowan, Toronto. Sec.-treas.—R. R. Hutchison.

Robinson Cone

Plant of Robinson Consolidated Cone Co. is at Hamilton, Ont., where the company manufactures ice cream cones, sandwich wafers, cups, soda straws, and cartons. Combined capacity is 5 millions of cones weekly.

Dividends of $1 a share per annum are being paid on the common shares, although earnings for the year ended Sept. 30, 1937, were only equivalent to 51 cents a share.

The financial position of the company at the end of the fiscal year was strong, with working capital amounting to $299,899.

Directors—John Moodie, pres., Port Nelson, Ont.; J. F. McDonagh, vice-pres.; F. K. Morrow, J. F. Lash, G. L. Leitch, Toronto; R. R. Barber, Chatham, Ont.; Victor Vallance, Hamilton. Sec.—E. M. Fletcher.

Eastern Bakeries

Eastern Bakeries, Ltd., controlled by Maple Leaf Milling Co., operates a chain of bakeries in the Maritimes.

Dividends on the 6½% preferred stock is guaranteed by Maple Leaf Milling Co. at the rate of 3¼% per annum from Oct. 15, 1934 to Jan. 15, 1944. These payments have been made at this rate to date.

George Weston

George Weston Ltd. this year carried its programme of expansion into the Canadian West when it acquired the assets of Inter City Western Bakeries, operating a chain of bakeries in the West. The scope of operations thereby covers the entire Dominion.

Following a curtailment in earnings during 1937, operations in the current year have taken a spurt, due chiefly to the more satisfactory showing of the United States subsidiaries. Production and earnings of the Battle Creek and Passaic plants were seriously impaired in 1937, because of labor trouble.

It is estimated on the basis of present production, total sales for the current year ending Dec. 31, 1938, will be about $13.2 millions, as compared with actual sales of $12.2 millions for 1937. Sales for 1936 were $11.6 millions; 1935, $9.9 millions, and 1934, $9.1 millions.

For the six months ended June 30, 1938, net earnings amounted to $254,728, as against $195,791 in the corresponding period in 1937. After deduction of preferred dividends there remained available for common stock a balance of $210,978 in the 1938 half year, as compared with $152,041 in the same period of 1937. Earnings on the 404,421 common shares outstanding at June 30, amounted to 52 cents, as compared with 40 cents.

The company's bread manufacturing subsidiaries have been operating on a more satisfactory basis than last year, although a drop in bread prices in August will probably make the operations of these companies less satisfactory in the last half of the year.

As a result of the acquisition of McCormick's Ltd. in 1937, the bonds of this company are now guaranteed by George Weston, as to principal and interest. The funded debt of McCormick's Ltd. was reduced in the current year by $11,000. There is now outstanding $250,000 of prior lien bonds and $1.4 million of 4% sinking fund bonds.

The authorized capitalization of the common stock was increased from 500,000 to 600,000 shares on Mar. 25, 1938, and conversion privileges altered to allow for the issuance of common stock at lower than conversion price.

In view of the estimate of increased sales for the current year, and the increase in earnings so far shown, a betterment in profits for the whole year seems highly probable.

There has been a tendency in recent years to stabilization of earnings, and it would appear that the Canadian field puts limitations upon the extent to which the company can further expand its activities.

Directors—James A. Gairdner, chm., Toronto; W. Garfield Weston, pres., Marlow, Eng.; F. W. St. Lawrence, vice-pres. and man. dir.; Emerson R. Taylor, R. A. Robertson, sec.-treas., Toronto; R. E. Watson, vice-pres., Passaic, N.J.; Harold C. Beach, Battle Creek, Mich. Asst. sec.-treas.—W. H. Kemp.

Dominion Bakeries

Dominion Bakeries Ltd. owns 13 bakeries in Ontario, but does not carry on any baking operations, renting its properties to other companies.

Losses have been incurred by the company for a number of years and deficits have been mounting steadily until at Aug. 31, 1937, the deficit was $717,396.

Arrears on dividends on the first preferred shares amounted to $45.50 a share, and $48.75 a share on the second preferred. Equities per share on the first preferred at Aug. 31, 1937, totalled $34.96.

There has been a large deficiency of working capital, most of the liabilities being accounts payable to Maple Leaf Milling Co. At Aug. 31, 1937, this item amounted to $247,640.

In the case of liquidation this debt would receive prior claim, and it is unlikely that much would be realized for disbursement to shareholders. As a result of the preferred arrears voting control has passed to holders of this stock and an arrangement made with Maple Leaf Milling whereby the latter provides management without cost.

Directors—D. C. MacLachlan, pres.; G. A. Mackey, C. S. Band, J. L. Henderson, G. H. Hand, all of Toronto; A. F. Culver, Montreal. Sec.-treas.—G. A. Scrimger.

Canada Bread

In the year ended June 30, 1938, profits of Canada Bread Co. showed an increase for the fifth consecutive time.

In presenting the annual report to shareholders, C. H. Carlisle, president, stated that a considerable increase in the cost of manufacturing had occurred in the past fiscal year. The increase in profits was attributed to a rapid and increased turnover during the year, and the maintenance of a profit on each unit of 1/3 cent.

Since that time the prices of bread have been reduced and the company may be expected to have its margin of profit reduced accordingly. Prices have been cut in chain stores from 2½ to 3 cents, which is said to be higher than the reduction in the cost of ingredients warrants.

Facilities of the company have been expanded progressively, and now cover the principal communities in Ontario, as well as Montreal and Sherbrooke, Que., and Winnipeg and Portage La Prairie, Man. Centres have been established in North Bay and Sudbury to take care of increased distribution in northern Ontario.

Amount of first mortgage 6% sinking fund bonds outstanding was reduced during the year to $629,400 from $754,900. Sinking fund has been provided in full to maturity of the bonds in August, 1941.

Canada Bread has made good progress in the past few years. Arrears of dividends have been reduced until they amount to $1.87½ a share on the class B preference with a 12½ cent extra paid Oct. 1, 1938. The financial position of the company is considered satisfactory.

Directors — C. H. Carlisle, pres.; C. B. Shields, A. G. Walwyn, A. W. Holmested, R. S. Waldie, G. C. Leitch, all of Toronto. Gen. mgr.—A. V. Loftus. Asst. gen mgr. and sec.-treas.—W. S. Antliff. Asst. sec.-treas.—L. F. Enright.

Can. Bakeries

Canadian Bakeries Ltd. is engaged in the manufacture and wholesale and retail distribution of all kinds of bakery products in the chief cities of British Columbia, Alberta and Saskatchewan. The company is controlled by Maple Leaf Milling Co.

The company's report for the year ended Aug. 31, 1937, showed further improvement in operations, with a net profit being shown for the first time since 1929.

Operating profit for the year amounted to $138,873, as compared with $113,599 in the preceding year.

Directors—R. W. Ward, pres. and gen. mgr., Calgary; D. C. MacLachlan, vice-pres., Toronto; D. A. Ross, sec.-treas., Calgary; John Burns, Calgary; F. J. Coombs, R. S. Waldie, Toronto; E. E. Buckerfield, Vancouver; H. M. E. Evans, Edmonton.

Consolidated Bakeries

Consolidated Bakeries of Canada Ltd. is a holding company, which through its subsidiaries, operates a group of 12 bakeries in Ontario and Quebec.

In every year since its incorporation in 1928, the company has been able to show a profit. There have been wide fluctuations in the prices of raw materials without corresponding adjustments in selling prices of the company's products, but increasing income from investments has had a stabilizing effect on profits during the last three years when operating income has shown a decline.

Market value of investments declined to $1.5 million from $2.3 during the year, but was still $165,196 above cost at Dec. 31, 1937.

The company's current position is strong, with working capital amounting to $1.5 million at the end of the past year.

Sales continued to increase in 1937, both in unit volume and sales value, but increased labor costs and higher material costs curtailed profits.

Present rate on the ordinary shares is $1 a share per annum, established with the 25 cents quarterly payment of Apr. 1, 1937. Extra dividends of 10 cents and 20 cents were paid in 1936 and 1937, respectively. The company's strong liquid position allows the disbursement of practically the entire net profit.

The company is controlled through management shares by Ogilvie Flour Mills Co., which is understood also to have a substantial interest in the ordinary shares.

Directors — John Turnbull, chm.; Robert McMullen, pres. & gen. mgr.; J. F. Lash, *F. K. Morrow, F. G. Osler, all of Toronto; R. R. Dobell, Sir Herbert Holt, *G. A. Morris, *J. W. McConnell, Beaudry Leman, Sir Charles B. Gordon, Montreal. Vice-pres. & asst. to gen. mgr.—T. M. Dutton. Sec.—H. O. Neale. Treas.—H. S. Pratt.

*Management shareholders.

McCormick's Ltd.

McCormick's Ltd. was acquired as a wholly-owned subsidiary of George Weston Ltd. during 1937. The company's funded debt is guaranteed as to principal and interest by the parent company, and is comprised of: $250,000 of 4½% guaranteed prior lien sinking fund bonds, and $1.4 million of 4% guaranteed sinking fund mortgage bonds.

Interest requirements on the bonds were earned 12.80 times before and 9.83 times after depreciation from the consolidated George Weston accounts in the year ended Dec. 31, 1937.

The company's statements are now incorporated in those of George Weston.

Directors—F. A. McCormick, chm.; Nathan Cummings, pres., London, Ont.; F. W. St. Lawrence, R. A. Robertson, J. A. Gairdner, Toronto. Vice-pres. i/c of production—J. W. Ross. Sec. & treas.—E. G. Brown.

Moirs Ltd.

Sales of Moirs Ltd. increased in 1937, but earnings remained at practically the same level as in 1936 due to higher costs. Net earnings for the year totalled $11,218.

The company has both preferred and common shares outstanding, but there have been no profits after providing for bond interest and depreciation since 1930. In each of the past four years the balance of earnings after providing for bond interest has been set aside as depreciation.

No information is available as to sales in the current year to date, but prospects early in the year were favorable. Bookings for Easter business in the current year were so heavy that production had to be started in October, 1937, approximately three months earlier than usual.

Since reorganization in 1933 earnings and working capital position of the company has improved. Working capital at the end of 1937 amounted to $540,832, compared with $519,800 in the previous year.

Directors—J. C. MacKeen, pres.; W. K. McKean, vice-pres.; W. B. Proctor, man. dir.; Hon. J. Fred Fraser, C. W. Stairs, D. R. Turnbull, all of Halifax, N.S. Sec.-treas.—Thomas Hood.

Baking

Stocks:	Outstand. $	Earned Per Share 1937 $	Earned Per Share 1936 $	Div. Rate $	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield %
Barker's Bread:								
5% Pref. cum. red. conv., par $50 ...	9,179 shs.	†1.72	‡5.13	2.50	48	30	30	8.3
Common, n.p.v. ...	*36,228 shs.	d0.16	1.02	...	15	4½	5¼	..
*Including 12,224 shares to be issued in exchange for shares of a subsidiary company acquired. †For years ended Apr. 16, 1938 and ‡Mar. 31, 1937.								
Burry Biscuit:								
Pref. conv. red., par $50	9,870 shs.	12.26	*14.48	3.00	60	30	..	..
Common, par 12½c.	401,040 shs.	0.23	0.31	nil	8	2	2¾	..
*Jan. 11, 1936 to Oct. 31, 1936.								
Canada Bread:								
5-6% 1st Pref. cum. red., par $100 ...	1,250,000	20.95	14.95	5.00	103½	80	90¾	5.5
Pref. B cum. part., par $50	1,250,000	†4.82	†3.30	2.50	59½	40	50½	4.9
Common, n.p.v. ..	*200,000 shs.	†0.39	†0.20	nil	10¼	2	5½	..
*Majority held by Maple Leaf Milling Co. †After allowance for participation provisions.								
Canadian Bakeries:								
1st Pref. cum., red. par $100	913,000	0.98	d1.21	nil	73	25	25	..
2nd Pref. cum. conv., par $100	1,000,000	d5.49	d7.50	nil	..	..	..	..
Class A, n.p.v. ...	20,000 shs.	d6.24	d7.25	nil	6½	1½	1½	..
Class B, n.p.v. ...	†							
†20,000 shares authorized for the conversion of 2nd preferred.								
Consolidated Bakeries:								
Pref. management shs., n.p.v.	3 shs.	...	...	...	..	..	..	..
Ordinary, n.p.v. ..	316,440 shs.	1.01	1.01	1.00	23	11½	15	6.7
Dominion Bakeries:								
1st Pref. 6½% cum. red., par $100	725,000	d2.69	d3.09	nil	..	..	..	..
2nd Pref. 6½% red. conv., par $100 ..	210,000	d31.72	d33.10	nil	..	..	..	..
Common, n.p.v. ..	27,007 shs.	d3.21	d3.33	nil	..	..	..	..
Majority of 2nd pref. and common stocks owned by Maple Leaf Milling Co.								
Eastern Bakeries (Controlled by Maple Leaf Milling):								
Pref. 6½% cum., par $100	500,000	Not available		..	..	..	..	..
Common, n.p.v. ..	30,000 shs.							
1,000 preferred and over 25,000 common owned by Maple Leaf Milling.								
Inter City Baking:								
Com., par $100	2,114,500	3.07	3.56	1.25	23	19½	19½	..
Inter City Western Bakeries:								
Pref. 6% cum., par $10	39,000 shs.	...	...	nil	..	..	..	..
Com., n.p.v.	130,000 shs.	...	...	nil	..	..	..	..
McCormick's:								
Com., n.p.v.	*73,705 shs.	Not avail.		nil	..	..	..	..
*All held by George Weston, Ltd., except directors' qualifying shares.								
Robinson Consolidated Cone:								
Com., n.p.v.	54,984 shs.	...	...	1.00	..	..	..	..
Viau, Ltd:								
1st pref. cum. red., par $100	946,000	6.67	4.64	5.00	58	40	46	10.9
Com., n.p.v.	44,920 shs.	0.35	*d0.08	nil	8	1½	2¼	..
*After allowing full year's dividends on 1st preferred.								
George Weston:								
Pref. cum. red., par $100	1,750,000	*28.61	*28.59	5.00	106½	70	85	5.9
Com., n.p.v.	404,421 shs.	1.02	1.11	0.80	18½	9	12¾	6.3
*After dividends on preferred stocks of subsidiaries in hands of public.								
William Paterson:								
Pref., par $100	62,100	Not avail.		7.00	..	..	..	..
Com., n.p.v.	4,000 shs.			nil	..	..	..	..
David et Frere:								
Cl. A $2.25 non-cum., par, n.p.v.	23,000 shs.	1.42	d0.01	0.40+0.10	10¼	3	10¼	4.7
Cl., B., n.p.v.	23,000 shs.	d0.83	d2.26	nil	1.05	.50	1.05	..
Moirs Ltd.:								
6% 1st mtge. cum., par $100	975,000	nil	nil	nil	..	..	..	..
Com., n.p.v.	15,500 shs.			nil	..	..	..	..

Bonds:	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1937	Times Int. Earn. After Deprec. 1936
Canada Bread:					
1st Mtge. S. F.	6	1941	*629,400	†8.65	†6.16
*Exclusive of $25,500 held for redemption. †Years ended June 30, 1938 and 1937.					
Canadian Bakeries:					
1st Mtge. S. F.	6½	1945	594,400	1.39	0.85
Inter City Baking:					
1st Mtge. S. F. Gold	5½	1948	1,169,500	2.19	2.33
Inter City Western Bakeries:					
1st Mtge. S. F. A	6½	1950	1,456,200	Not available	
McCormick's:					
Guar. Pr. Lien S. F.	4½	1952	250,000	Not available	
Guar. S. F. Mtge.	4	1952	1,373,950	Not available	
Viau Ltd.:					
Gen. Mtge. S. F.	6½	1946	306,300	4.64	3.92
Moir's Ltd.:					
1st Mtge. S. F. Gold	6	1953	760,000	1.00	1.00

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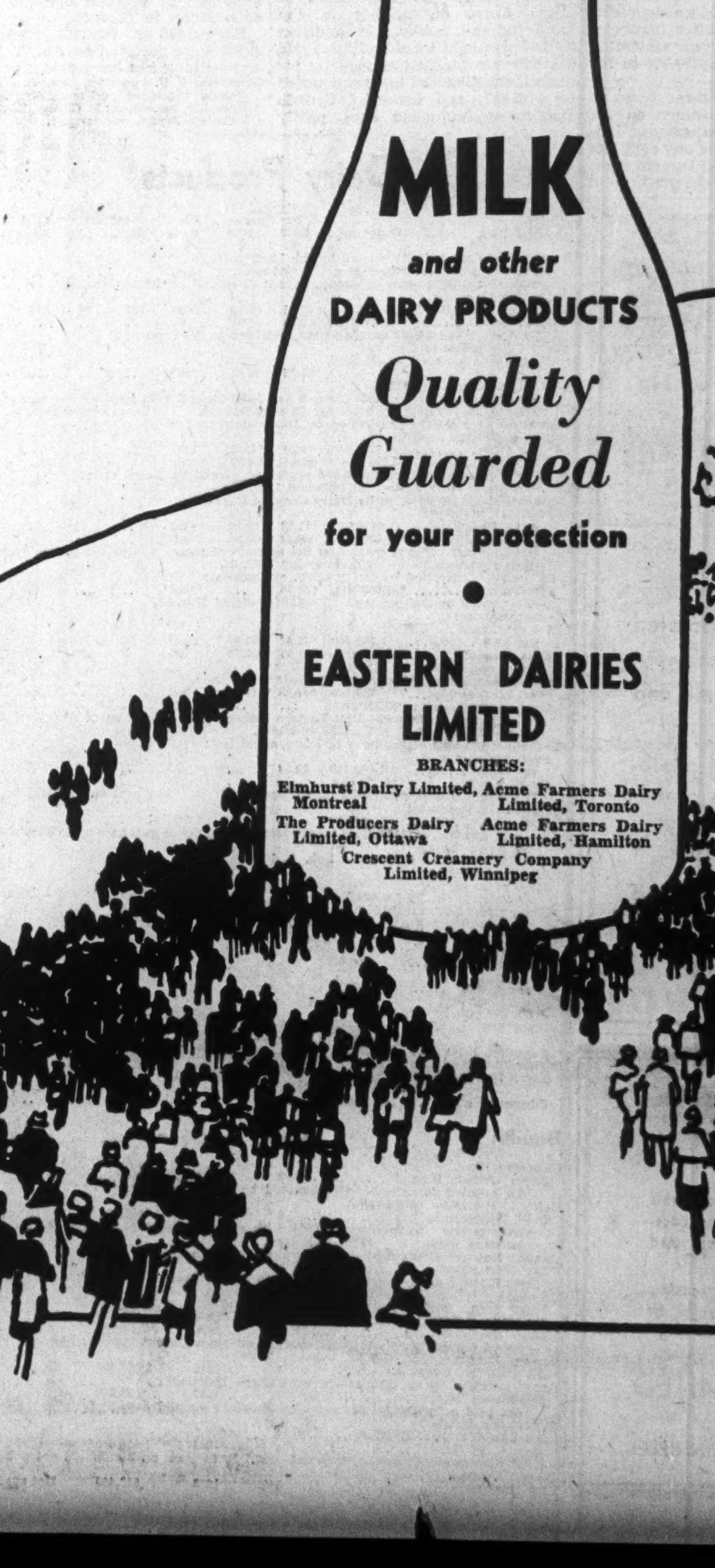
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Food Merchandising Tax Load Mounts

Price Situation Adds to Retailers' Troubles Sales Are Maintained

The number of self-serve stores is still increasing.

There has been little uniformity in the operating results of food merchandising companies during the year. Organizations in the same line of business report dissimilar results, depending principally upon the locale of operations.

One result in common is noticeable. That is the contraction of profits in relation to sales. Where sales have shown an increase, disproportionate increases and taxation has narrowed the profit margin.

There has been an abundance of foodstuffs, and a further softening of prices is forecast for the grocery business. Keen competition and price cutting, particularly in the Montreal area continues to trouble the industry.

Taxation has become a heavy burden on retail merchandising establishments. Municipal chain store tax is particularly burdensome to organizations in some areas, and determination of its legality is being sought by one concern. Should the tax be declared ultra vires, chain stores in Montreal would receive considerable benefit from its withdrawal.

Sales volume of wholesale grocery companies has been running on as high or higher levels than last year, but there has been a reduction in sales prices.

The candy industry has been able to maintain its good position nicely, and with business turning upward, it seems probable that results of the year's operations will be closely comparable with last year's.

National Grocers

Although tonnage sales of National Grocers Co. for the current year have been approximately the same as in the corresponding period of the previous year, there has been a decrease in selling prices of 8 to 10%.

With predictions of low prices for food, and higher operating costs it appears unlikely that operations will be as satisfactory as in the year ended Mar. 31, 1938.

It was announced at the annual meeting that no plan was contemplated to clear up dividend arrears. A plan for settlement was approved by 90% of the preferred and common shareholders last January, but was subsequently disallowed by the court.

After a payment of $3.50 a share on June 10 on account of preferred arrears, there was a total of $22.75 a share unpaid.

On Oct. 1 the company redeemed another $100,000 serial maturity of its 4% first mortgage bonds, reducing outstanding amount to $900,000.

Directors—Marland Woolnough, chm. of bd.; Archie Foster, pres. & gen. mgr.; M. D. Lemon, vice-pres.; T. H. Kinnear, sec.-treas.; David Blain, T. J. Medland, Toronto; W. G. McLauchlan, Owen Sound, Ont.; A. J. Major, Ottawa, Ont.; J. H. Simpson, Guelph; Hon. George Gordon, North Bay, Ont.; W. H. Kenny, Sarnia, Ont. **Asst. gen. mgr.**—H. L. McNally. **Compt. and asst. sec.-treas.**—R. H. Bainard.

Jenkins' Groceteria

Jenkins' Groceteria Ltd., with head office in Calgary, Alta., operates a chain of 37 grocery stores in Alberta, as well as a baking plant, coffee warehouse and fruit business.

The company's business has been handicapped in the past few years by drought conditions in Alberta, but prospects for the balance of this year should be better.

Directors—H. M. Jenkins, pres. and gen. mgr.; P. A. Carson, sec.-treas.; John Ross.

Canada Tea

Canada Tea Co. conducts a wholesale and retail business in teas, coffees, spices and similar lines, operating branches at Peterborough, Hamilton, Brantford, Woodstock and London. Head offices are in Toronto.

At May 28, 1938, there were arrears of 6½% on the 7% preferred stock. Nothing has been paid on the common stock since 1913.

The company does not publish any income statements.

Total assets at the year ended May 28, 1938, amounted to $766,705, of which accounts receivable and cash accounted for $209,996.

In presenting the annual report for 1938, C. J. Scandrett, president, stated that sales and collections during the year had again showed a substantial increase over the previous year. High costs of tea and coffee, however, narrowed the margin of profit.

Directors—C. J. Scandrett, pres. & man. dir.; J. H. Scandrett, vice-pres.; J. Hobson, sec. & treas.; C. T. Stark, S. B. Playfair, Toronto.

Western Grocers

With the field of its operations covering the western provinces, which have benefitted greatly from improved crop conditions, prospects appear brighter for western grocers than they have for some time.

In spite of poor conditions in 1937 sales were again higher than in the previous year. Operating profit, however, dropped to $364,154 for the year ended Dec. 31, 1937, from $391,996 in 1936, and compares with $296,707 in 1935.

The company has a good record, and throughout the depression was able to show a net profit in each period, and only in 1931 failed to earn its full preferred dividend.

In recent years generally advancing markets have added to the company's earnings, since groceries are sold wholesale on a narrow margin.

The company is engaged in the wholesale grocery business in western Canada, and is affiliated with the Red and White chain, which is comprised of approximately 700 stores in this territory.

Directors—W. P. Riley, pres.; W. H. McWilliams, vice-pres.; H. W. Hutchinson, F. O. Fowler, J. A. Richardson, all of Winnipeg. **Sec.-treas.**—Eben Govan.

Fanny Farmer

Fanny Farmer Candy Shops was established in 1919 in Rochester, N.Y., and has grown rapidly since that time. At present 232 shops and six "studios" are operated in the United States, the largest organization of its description in the world, according to the company. Area served extends from Portland, Maine, in the east to Des Moines, Iowa, on the west, and Washington, D.C., on the south.

A steady growth of sales and earnings has been shown by this organization. The company suffered from the effects of the depression in the years 1931 to 1933 but in the following year continued to move forward.

It is expected that conditions in the remainder of the year will be very much better and that Fanny Farmer will share fully in the betterment.

Publication of monthly sales and profit figures was stopped a short while ago, so that the last figures available are those for the six-month period ended June 30. Profits during that time decreased 1.6%, although sales of $3.2 millions were up 4.7%. An extra dividend of 25 cents was paid on Oct. 1.

Directors—John D. Hayes, pres.; Joseph P. Hogan, sec.; E. E. Fairchild, Jr., M. T. Hayes, all of Rochester, N.Y.; H. Rupert Bain, vice-pres.; M. J. Farrell, 1st vice-pres. **Treas.**—W. E. McFadden. **Asst. sec.**—M. T. Hayes.

Hunt's Ltd.

Hunt's Limited operates a chain of retail stores in Ontario selling confectionery, ice cream and baked goods, which are made in its own bakeries. It also operates tea rooms, restaurants and a catering service. The large "Savarin" Restaurant in Toronto, formerly owned by Traymore's Limited, is operated by Hunt's.

A programme of store renovation is being carried on at the present time. It is believed that the company has initiated more aggressive methods in its merchandising policies.

For the twenty-eight-week period ended July 17, 1938, the company reported a profit of $8,630, before depreciation. Sales amounted to $638,974, as compared with $684,861 for the corresponding period in 1937, a decrease of 6.7%.

Sales for the four-week period ended Aug. 13 for 28 Toronto stores were 2.4% below sales of 31 stores in the same period in the preceding year.

The company has been recently experiencing an improvement in business and the spread between sales figure for 1938 and 1937 is said to have narrowed.

Working capital reorganization has improved since the end of last year.

Directors—H. W. Hunt, pres. & man. dir.; L. K. Hergert, sec.-treas.; J. A. Young, J. H. Ratcliffe, all of Toronto; H. S. Spicer, Hamilton; F. B. Banting, vice-pres. and asst. gen. mgr.

Stop & Shop

Stop & Shop, Ltd., is a holding company, having acquired control of Thrift Stores on Aug. 8, 1936.

Interest and sinking fund payments due Apr. 1, 1938, on the first mortgage bonds and interest due June 1, 1938, on the second mortgage bonds were defaulted by the company.

Negotiations have been carried on between bondholders and the company to reach some settlement, and it is believed that a plan may be reached in the near future.

Considerable improvement was shown in the 56-week period ended Mar. 26, 1938, over the previous year, with net earnings amounting to $63,627 in the 1938 period, as compared with $10,970 for the 12 months ended Feb. 27, 1937.

Arrears on the preferred stock accumulate from July 4, 1932, with the exception of a 50-cent payment in 1934. At Mar. 26, 1938, arrears amounted to $2.95 a share.

At Mar. 26, 1938, there was an excess of current liabilities over current assets of $68,308, as compared with an excess of $81,677 at the close of the previous fiscal year.

Directors — R. H. Hommel, pres.; H. R. Berg, vice-pres.; Toronto; G. A. Wright, vice-pres.; W. E. Dunton, Montreal; R. W. S. Johhnston, sec.; H. B. Housser, A. D. Cobban, E. F. Coste, Toronto; B. N. Barrett, Kitchener, Ont.

Laura Secord

It is unofficially reported that there will be a further gain made in the sales and earnings of Laura Secord Canada Shops for the year ended Sept. 30.

Sales for the year ended Sept. 30, 1937, amounted to $1.7 million, an increase of $110,932 from the previous year. It is stated that sales will be in excess of $1.8 million in the year that has just passed.

During the year the company opened four new stores and now has 85 in operation. All the stores of Mary Louise Candies, Ltd., a subsidiary company, have been closed.

The company's business has been very stable over a period of years and came through the depression year in good shape.

Operating profit for the year ended Sept. 30, 1937, increased to $289,949, from $272,114 in the previous year and $258,488 in 1935.

Laura Secord is engaged in the manufacture and retail distribution of chocolate products and confections through its shops in Ontario and Quebec. Its manufacturing is done in Montreal and Toronto.

Directors—F. P. O'Connor, pres. and chm.; J. D. Hayes, C. P. Moher, vice-pres. and gen. mgr.; C. H. Ellston, sec.-treas., Toronto; A. A. Audette, Montreal. **2nd vice-pres.**—W. J. O'Connor.

Dominion Stores

A net loss of $9,192 was reported by Dominion Stores for the 24-weeks period ended June 18, 1938, as against a net profit of $34,178 in the corresponding period in 1937. Average number of stores operated was 474 in 1938, as compared with 479 in 1937.

Sales to Sept. 10, 1938, totalled $13 millions, a decrease of $424,932, or 3.17% from the same period in 1937.

In 1937 the company experienced the best year since 1933, with net earnings increasing to $183,152 from $49,740 for 1936.

The company in 1937 instituted a programme to improve the company's position.

E. G. Wills, president, stated in the half-year report: "Present plans include development of sound public relations and improvement in merchandising and advertising.

"Training plans for the advancement of employees are now in force. A better understanding, on the part of public authorities, of our problems and our importance as an effective avenue of distribution for the products of the country, is, we believe, being established."

One factor which threatens to seriously impair the company's earning power is the municipal chain store tax. The company has paid under protest the tax imposed by the city of Montreal, which runs as high as $1,000 per annum for every store over 10.

Directors—E. G. Wills, pres.; J. W. Horsey, exec. vice-pres. i/c oper., Toronto; Morley Smith, R. R. Corson, N. L. Nathanson, S. G. Bennett, Toronto; J. B. Jameson, Concord, N.H.; R. O. Johnson, Montreal. **Merchandising mgr.** — I. W. Burdick. **Sec. and treas.** — A. J. Cox. **Asst. sec. and asst. treas.**—F. R. Paget. **Service mgr.**—C. C. Hutchison.

Loblaw Groceterias

The story of Loblaw Groceterias Co. has been one of progressive growth and steadily mounting sales and profits. In recent years changes in operations have been effected which kept the company in the fore by conversion to market type merchandising where meats, groceries and fruits are sold in one store.

In the year ended May 28, 1938, two new stores were placed in operation, and 11 were converted to market type shops. In operation at the year end were 114 stores, of which 80 were complete market type. Another market type store opened in Toronto early in June, bringing the total to 115. During the 1938 fiscal year assets rose to $7.5 millions from $7.3 millions in the previous year. Investments in preferred and common stock of Loblaw Groceterias, Inc., operating in the Buffalo district, remained at 2,841 shares and 28,600 shares, respectively. Inventories showed little change.

Sales in the 12 weeks period ended Aug. 20, 1938, amounted to $4.8 millions, an increase of 9.53%. Profits increased $2,205, or 1.34%.

Regarding prospects for food prices in the current year, J. Milton Cork, president, stated in the October bulletin of the Toronto Stock Exchange:

"This year a bountiful harvest promises supplies of fruits, vegetables, and all other products of the farm. Available supplies of butter are larger than for many years so that a repetition of last year's shortage is unlikely and indications are that prices of food in Canada will be on a lower level than last season."

Directors — J. Milton Cork, pres.; C. B. Shields, vice-pres. and gen. mgr.; Daniel Urquhart, vice-pres. and treas.; Justin M. Cork, sec. and asst. gen. mgr.; W. E. Cork, H. G. Muntz, Toronto; W. A. Arbuckle, Montreal.

Thrift Stores

Thrift Stores became the operating company under a merger agreement with Stop & Shop on Aug. 8, 1936, whereby the functions of management and buying were unified. There were no capital changes in either concern.

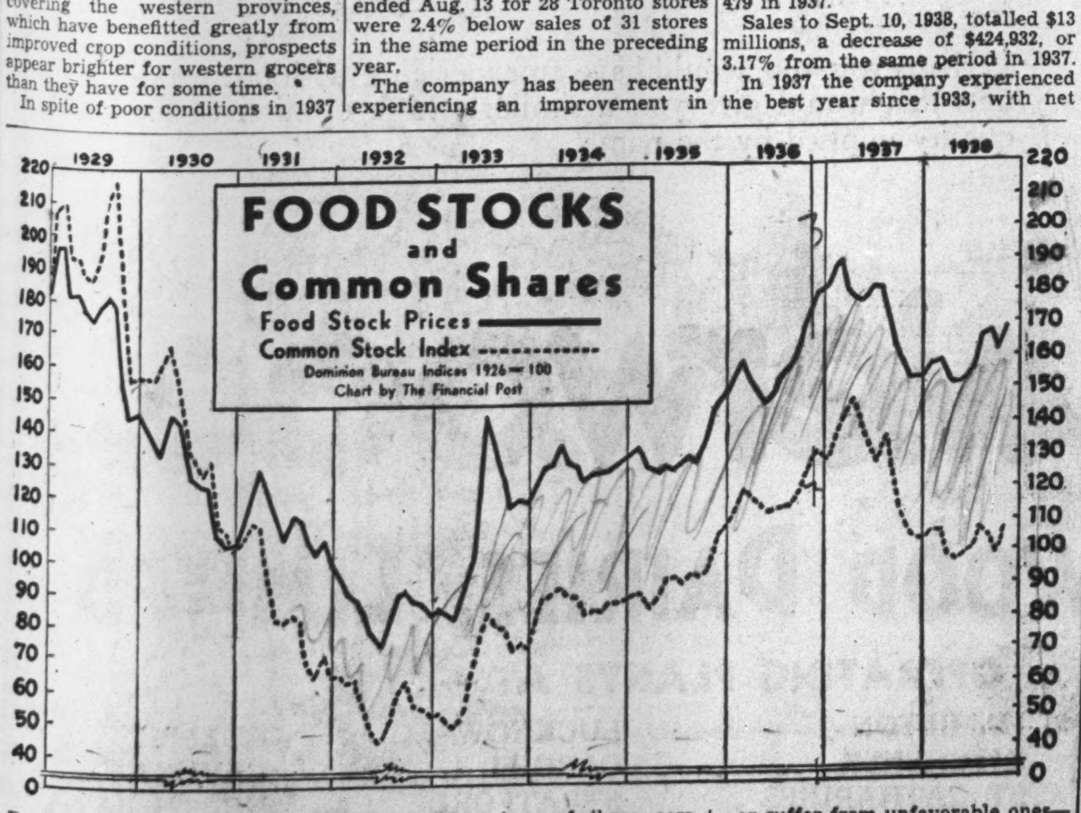
Although marked improvement in operations has occurred since the end of the year ended Mar. 26, 1938, a net loss of $134,120 was incurred in the year, as against a loss of $93,613 in the previous fiscal year.

In an attempt to curtail expenses ten stores and the warehouse in Toronto have been closed. The company is waging a fight in collaboration with Stop & Shop against the special chain store tax imposed by Montreal. Repayment of $73,717 taxes paid is asked, as well as freedom from the current impost.

Arrears of dividends have accumulated on the first and second preferred stock, and at Oct. 1 totalled $6.09⅜ and $2.62½ a share, respectively.

Units operated by the company have been substantially reduced from last year. At present there are 140 units in operation, as compared with 170 a year ago. These are located as follows: Montreal, 68; Verdun, 12; Outremont, 7; Westmount, 4; Lachine, 3; St. Lambert, 2; Montreal West, 2; Mt. Royal, 1; Ottawa, 7 Westboro, 1; Toronto, 32, and Weston, 1.

Directors — R. H. Hommel, pres.; H. R. Berg, vice-pres., Toronto; G. A. Wright, vice-pres.; W. E. Dunton, Montreal; E. F. Coste, H. B. Housser, A. D. Cobban, Toronto; B. N. Barrett, Kitchener, Ont. **Sec.-treas.**—R. W. S. Johnston.



Food companies deal in what is known as "consumer goods." They are providing articles that are essential in our present-day methods of living. Thus it is reasonable to expect that earnings of these companies will not fluctuate as widely as will those of companies operating in some other industries. But that food stocks still have ability to participate in favorable stock markets—or suffer from unfavorable ones—is shown by the chart showing that food stocks have moved in close relation to the index of all common stocks in Canada.

Food Merchandising

Stocks:	Outstand. $	Earned Per Share 1937 $	Earned Per Share 1936 $	Div. Rate $	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield %
Buywell Food Markets:								
1st pref. 7%, par $10	45,080	nil	d0.59	nil	..	..	..	..
Com., n.p.v.	200,000 shs.	d0.016	d0.029	nil	..	..	..	..
Dominion Stores:								
Pref. 6% cum., par $100	†5,000,000			...	...	...	...	..
Com., n.p.v.	280,014 shs.	0.17	d0.23	nil	12⅝	4⅝	6⅛	..
†Authorized—none outstanding.								
Fanny Farmer Candy Shops:								
Com., par $1	390,464 shs.	2.06	1.50	1+.25	25½	14¾	21⅛	5.7
Hunt's, Ltd.:								
Cl. A non-vot., n.p.v.	18,656 shs.	d0.84	d1.07	nil	19	5	5	..
Cl. B vot., n.p.v	15,000 shs.				18	5	5½	..
Jenkin's Groceteria:								
Pref. 7% cum., par $100	487,600	7.68	...	7.00	..	..	..	..
Com., n.p.v.	20,000 shs.	0.17	...	nil	..	..	..	..
Laura Secord:								
Com., n.p.v.	57,500 shs.	3.71	4.00	3.00	77	54	65	4.6
Loblaw Groceterias:								
Cl. A, cum. red., n.p.v.	445,056 shs.	*1.42	*1.33	1+.12½	23¾	19¼	23¼	4.8
Cl. B, n.p.v.	383,300 shs.			1+.12½	23¾	18	21¾	5.1
*For years ended May 28, 1938 and 1937.								
National Grocers:								
Pref. 7% cum., par $100	2,953,200	*15.11	*18.63	†7.00	140	115	115	6.1
Com., n.p.v.	295,852 shs.	0.81	1.16	nil	11	3¾	5⅛	..
*For years ended Mar. 31, 1938 and 1937. †Plus $3.50 in arrears paid June 10, 1938.								
Stop & Shop:								
Pref. cum. part., par $10	555,550	d0.33	d1.42	nil	..	..	..	..
Common, n.p.v.	49,841	d1.03	d2.26	nil	3½	.10	.20	..
Thrift Stores (Controlled by Stop & Shop):								
1st pref. cum. red., par $25	342,750	*d9.78	*d6.83	nil	8	½	½	..
2nd pref. cum. red., par $10	120,000	d13.03	d9.66	nil	..	..	..	..
Ordinary, n.p.v.	20,000 shs.	d8.24	d6.21	nil	2	¼	¼	..
*For years ended Mar. 26, 1928 and 1937.								
Western Grocers:								
Pref. cum. part., par $100	1,194,300	17.81	16.45	7.00	125	106¼	116	6
Com., n.p.v.	16,943 shs.	7.62	6.66	3.00	71	49¼	50	6
Canada Tea:								
Pref. 7% par $100	171,400	Not available		*2.00	..	..	..	..
Common, par $100	331,200			nil	..	..	..	..
*Paid Dec. 15, 1937.								

Bonds:	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1937	Times Int. Earn. After Deprec. 1936
National Grocers:					
1st Mtge. Closed	4	1936-47	1,000,000	11.73	11.70
Stop & Shop:					
1st Mtge. S. F.	6	1947	640,000	0.63	nil
2nd Mortgage	6	1939	80,000		

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President

CHARLES G. COWAN
Vice-Pres. & Man. Dir.

G. HAROLD BURLAND
Sec.-Treas.

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For further information, consult your own advertising agency; the Advertising Manager, La Presse, Montreal; S. L. Rees, 820 Metropolitan Bldg., Toronto, Ont.; The Clougher Corporation Limited, 26 Craven St., London, W.C.2; William J. Morton Co., New York Office: 200 Fifth Ave., Chicago Office: 410 N. Michigan Ave.

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THE LARGEST DAILY CIRCULATION IN THE PROVINCE OF QUEBEC

Sugar Refiners

Stocks:	Outstand. $	Earned Per Share 1937 $	Earned Per Share 1936 $	Div. Rate $	Price Range 1937-38 High	Price Range 1937-38 Low	Last Price	Yield %
Acadia Sugar Refining:								
6% pref. cum., par $5 and £1	1,500,000	0.71	0.57	0.30	5⅝	5⅜	..	..
Com., par $5 and £1 .	1,500,0,0	0.41	0.27	*0.10	6¾	2½	4⅛	..
*Paid June, 1938.								
Atlantic Sugar Refineries:								
Com., n.p.v.	160,000 shs.	Not avail.		...	..	..	..	..
Canada & Dominion Sugar:								
Com., n.p.v.	*1,500,000 shs.	4.67	3.29	.50+.25	27¾	23	27	..

*After split of 3 for 1. †Initial on new stock paid Sept. 1, 1938.

Bonds:	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1937	Times Int. Earn. After Deprec. 1936
Acadia Sugar Refining: 1st Mtge. S. F.	4½	1955	1,439,500	4.38	3.71
Atlantic Sugar Refineries: 1st Mortgage	2½-3-4	1938-41-51	1,900,000	Not available	

Products of British Columbia's fisheries command an ever-increasing appreciation at home and over the wide world. A prominent factor in the development of this great industry has been British Columbia Packers, Limited, packers of the famous Clover Leaf Brand.

BRITISH COLUMBIA PACKERS LIMITED

Clover Leaf Fancy Sockeye Salmon
Clover Leaf Fancy Cohoe Salmon
Clover Leaf Fancy Pink Salmon
Clover Leaf Fancy Oysters
Clover Leaf Fancy Clams
"Pet" Brand Dog Food

"In the line of PROGRESS"

THE vital interests of the modern community require a service of food distribution that is efficient, economical, convenient.

Dominion Stores represents the first major effort in Canada to provide a modern retail food distribution service. It is the oldest chain grocery enterprise in Canada — founded in 1919. It is also the largest—comprising 472 branches in Ontario, Quebec and the Maritimes.

Dominion Stores Limited begins its 20th year with an impressive record of achievement... and with a renewed sense of its opportunity and its responsibilities toward consumers, producers, shareholders and employees.

DOMINION STORES Limited

"For helpful service"

See Steadier Sugar Prices

World Conference Expected to Bring About Stabilization

Prices of sugar have declined substantially during the current year, but the beet crop is much larger than last year, which may compensate in some degree for the lower prices. This applies only to Canada and Dominion in Eastern Canada and B. C. Sugar Refiners in the West.

Prospects for steadier sugar prices over the next few months were probably improved by the actions of the conference of world sugar producers held in Great Britain last summer.

A larger quantity of sugar was imported in 1937 and the manufacture of sugar syrup by commercial consumers adversely affected sales. The most harmful occurrence to the refineries' business would be concessions to Cuba, in the event of a trade pact with this country. This Latin-American country is said to be anxious to re-establish its markets in Canada for refined sugar.

Canada & Dominion

Canada & Dominion Sugar Co. is the major refiner of cane and beet sugar in Canada, marketing its product under the brand names of "Redpath," and "Dominion Crystal."

The company was incorporated in Dec., 1930, as a merger of The Canada Sugar Refining Co. and the Dominion Sugar Co., and the charters of these two companies surrendered. Refiners are located at Montreal, Wallaceburg and Chatham, Ont., and a number of sales offices are located in Canada.

Prospects at the present time appear quite favorable for the company. In the year ended Jan. 31, 1938, net profit amounted to $2.3 millions, compared with $1.6 million for the previous fiscal year, and largest since 1934.

The company's financial position is exceptionally strong. At Jan. 31, 1938, cash on hand was $3.1 millions and Dominion bonds amounted to $9.2 millions while total current liabilities were only $920,724. This has assisted in paying the extra dividends declared each year.

On Aug. 4, 1938, shareholders approved a three-for-one split in the company's stock. Dividends on the new stock are being paid at 12½ cents quarterly, equivalent to the former rate. An extra of $1 a share was paid on the old stock on May 15, 1938.

Directors—C. H. Houson, pres., Chatham; H. R. Drummond, vice-pres., Montreal; H. F. Smith, vice-pres., Detroit; W. J. McGregor, sec.-treas., Chatham; A. E. Dyment, W. C. Laidlaw, Toronto; A. H. Thomson, G. B. Foster, Montreal; G. H. Moulthrop, Bay City, Mich.

Atlantic Sugar

Details of operations of Atlantic Sugar Refineries are not available as the company no longer publishes a financial statement. However, the position of the company has not undergone any material change.

Public interest in the company consists of $1.9 million of first mortgage bonds. This amount is divided into $100,000 of 2½% bonds, $300,000 of 3% bonds and $1.5 million of 4% bonds. The company has also outstanding 160,000 shares of common stock but no public offering of the stock has ever been made.

No annual statement has been published by the company since 1935. The balance sheet was published in connection with refunding of the first mortgage bonds in October, 1936, showing the position of the company as at Aug. 31, 1936, giving a partial statement of income and surplus figures for the first eight months of 1936. Bond interest on the new issue was covered more than 10 times after depreciation, according to the 1935 figures.

The domestic market is the chief sales outlet for Atlantic Sugar. The company imports its cane sugar from the British West Indies. While it carries on some export business, the major share of production is marked in Canada.

Directors — F. R. Graham, chm.; L. J. Seidensticker, pres., Montreal; P. R. Gardiner, vice-pres.; S. A. Hayden, sec., Toronto; J. C. H. Dussault, D. H. McDougall, Montreal; T. J. Dillon, New York. **Asst. sec. & treas.**—E. S. Johnston.

Acadia Sugar

Operations of Acadia Sugar Refining Co. showed moderate improvement during 1937, net profit being equivalent to 41 cents a share on the common stock as compared with 27 cents a share in the previous year.

Last year the company made total dividend disbursements on its common stock of 30 cents a share, 10 cents being paid in March and 20 cents in December. On June 1 last the company paid 10 cents a share. While this is lower than the payment made in December, it does not necessarily imply a decline in earning power. The common stock is not on a regular dividend basis.

Acadia Sugar has been steadily improving its financial position. Working capital has been well maintained in the last three years. Funded debt has not only been reduced, but also placed on a lower coupon basis with considerable saving in interest charges. Last year the company paid off a bank loan of $125,000 without resorting to additional financing. Working capital increased in 1937 by $117,000 to $1,681,000.

Volume of sugar manufactured in Canada was down slightly in 1937 due to the somewhat larger imports of refined sugar and sugar syrups used by commercial consumers, such as canning factories. This reduction has been carried into the current year.

Directors—J. McG. Stewart, pres.; D. R. Turnbull, man. dir. and sec.; J. C. MacKeen, Hon. W. H. Covert, R. P. Bell, all of Halifax; John Mitchell, J. B. Ramsay, Robert Thom, Glasgow, Scotland; Hon. C. W. Robinson, Moncton, N.B.

Canada Calls Louder

New Advertising Campaign in Britain Still Faces Criticism

By STAFF WRITER

OTTAWA.—A new "Canada Calling" campaign is under way in Britain. Flaming bus placards urge Londoners to buy Canadian canned tomatoes. Window displays suggest Canadian salmon, cheese and poultry. There is generous newspaper and magazine space devoted to a score of other Canadian products both food and manufactured. In addition, special contact men are calling on the trade pushing new lines, checking demand and stocks, noting whether present advertising clicks with consumers. The whole line of attack is generally admitted to be improved, better results are expected but there is still criticism.

Three Departments Involved

The first campaign was launched three years ago. At that time the money was spent by the High Commissioner's Office in London which is under the Department of External Affairs. There was supposed to be co-operation with the Departments of Trade and Agriculture. Both these have resident officials in Great Britain. Trade is interested because any goods sold boosts Canadian exports; agriculture, because the most exports come from the farm and it is responsible for grading and promotional work at the source of production.

The original scheme did not work well. There was open bickering between the departments. Advertising was said to be launched without first checking whether goods were available. Consumers would ask for Canadian salmon, canned peaches or pears only to find that the retailer had none and didn't know where he could get any. The campaign was spread thinly over a wide area, instead of being concentrated in thickly populated districts and where Canadian exporters had already established trade connections and stocks. However, the quarrel has been patched.

Quarrels Patched Up

A special marketing commission went to Britain, came back and made a report. There was nothing very new or startling in this except confirmation of departmental friction. Before the present campaign got under way attempt was made to allocate different responsibilities.

As a result there appears to be much smoother co-operation between trade and agriculture and advertising and stocks of goods are better placed. But criticisms continue to roll into Ottawa, chiefly to the Department of Trade.

Expect Too Much?

"The reason for so much kicking" a trade official told The Financial Post, "is probably due to people expecting a great deal more than we can possibly accomplish. In certain types of private advertising there is immediate and direct response. You insert an ad. that costs, say $100 and you sell $1,000 worth of goods. This situation is different. Here we can only supplement advertising and promotion by interested private firms. We cannot feature private brands.

"We are trying to sell bulk goods as well as those individually packaged. In many cases stamping and other identification marks are impossible. Take apples, wheat or some kinds of cheese. The average consumer buys his apples by the pound or dozen in a paper bag, not in the original package which would be a box or a barrel. He does not buy wheat or flour but buys bread baked from flour. The cheese purchased is probably a small wedge from the original 60 pound block. Were there some method of carrying identification of origin right through and some common Canadian identification work our job would be simpler."

Lack National Trademark

Comparative little progress has been made in the latter respect, The Post understands. So far there is no official agreement on a registered national trademark. In some quarters, it is suggested, that the old and still commonly-used Maple Leaf be abandoned and a picture of a mountie substituted.

Even cans do not carry a uniform mark. On salmon the word "Canada" is stamped on the end of the tin, but this is not done with many lines of canned fruits or vegetables. There is no entirely satisfactory explanation.

The British Government does not require that the country of origin be stamped on all imported goods. Trade officials state that it might help if they did and in some cases might hurt.

Problem of Second Grade

For instance, in many parts of the United Kingdom there is a legitimate demand for second-grade products yet there would be little benefit and perhaps much harm if these all carried a national Canadian trademark. In some cases, too, the big English retail firm as in Canada wants its own label on canned goods no matter where they are packed. Sometimes there is a prejudice against imported canned goods even from Empire countries, and the English producers try to capture the market for themselves. In dairy products, too, there is keen and growing competition from English producers.

Wheat apparently, presents special difficulties. Usually the flour is a blend of Canadian, with other and softer wheats probably English, American, Argentinian or Australian. The English miller resents any attempt to dictate the proportions of Canadian wheat he uses and the average English baker, much less the bread retailer, knows little about these proportions.

Private Brands

Then there is the question of private brands. All export bacon or tomatoes do not come from the same Canadian firms. Each of these have their own private brands and the neutral government contact man cannot suggest that a storekeeper stock up with one Canadian line only. There is also provincial competition that weakens any national advertising effort. All that the Canadian Government official can advocate is Canadian apples or Canadian cheese. He cannot specify the special product in Nova Scotia, Ontario or British Columbia though each of these provinces are naturally interested in pushing their own products exclusively.

As for actual results there is little definite information available. Trade officials think that Canada is selling more goods as a result of this campaign but they cannot give specific figures. One reckoning difficulty is the fluctuating supply of many lines offered. Bacon and wheat are examples. Due to the serious drought in western Canada last year production of both these commodities fell off sharply. Exports declined in consequence. Canadian trade officials could do nothing about it, packers were in a like position while farmers without feed could not possibly raise hogs.

Canned goods, particularly fruits and vegetables are also affected by unfavorable weather though not as seriously as the other two lines mentioned. In a normal season there are produced far more tomatoes, corn and peaches than go into cans though occasionally supplies are short.

YOU'VE GOT TO BE
TOUGH
ABOUT PAINT
COVER THE EARTH
SHERWIN-WILLIAMS PAINTS

The development and manufacture of industrial finishes is a highly specialized branch of a specialized industry and calls for wide experience and adequate resources.

To let yourself be persuaded to take a wrong type of finish, no matter how good the quality, is simply inviting trouble.

The Sherwin-Williams Co. has specialized in the development and manufacture of paints for over 73 years. An organized advisory service is freely at your disposal any time for consultation on all questions of finishes and their application. A fully qualified paint engineer will call at your convenience to discuss special finishes, colors, etc.

Write or phone Industrial Sales Dept., The Sherwin-Williams Co. of Canada Limited, Montreal, or your nearest Sherwin-Williams office.

Thrift Stores Sales Show Improvement

MONTREAL.—Business of Thrift Stores Ltd. for the year to date has shown an improvement, according to president, R. H. Hommel.

At the annual meeting of shareholders, the financial statement for the year ended March 26, 1938, was approved and directors re-elected.

Products You Buy Are Listed Here

Milk
Cream
Ice Cream
Buttermilk
Evaporated Milk
Cheese
Creamery Butter
Powdered Milk
Condensed Whole and Skim Milk
Buttermilk Powder
Eggs
Ice Cream Sundries
Dressed Poultry
Soda Fountain Supplies
Frozen Eggs

REPUTATION has to be earned — it cannot be purchased, leased or acquired in any other way.

The reputation of Silverwood's Dairy Products is the end-result of years of striving for improvement in supply sources, methods of processing, refrigeration, packaging and delivery.

This Company has well over 100,000 customers. Their loyalty, based upon satisfaction, has built a great business for us.

Perhaps you, too, would have an experience with our products that would give you a similarly high opinion of the quality implied by the name

Silverwood

SILVERWOOD DAIRIES, LIMITED

OPERATING PLANTS AT—

LONDON
TORONTO
WINDSOR
CHATHAM
BRANTFORD
HAMILTON
KITCHENER
ST. CATHARINES
PETERBOROUGH
ELMIRA
LUCKNOW
CARGILL
STRATFORD
SARNIA
WOODSTOCK
GUELPH
CAYUGA
NORTH BAY
SUDBURY

Week in Wheat

French Sales Pressure Saps Recent Strength

Former Strong Undertone Gives Way to Weakness — North America Chief Source World Supply Until Spring

From Our Own Correspondent

WINNIPEG.—Although a week ago the wheat market was beginning to show signs of a stronger undertone, heavy subsidized sales of French grain, plus corn weakness in United States, soon generated further weakness. Had it not been for this somewhat unexpected development, Italy's eagerness to buy would probably have pushed values higher.

With the exhaustion of old-crop supplies in the southern hemisphere and with the slowing down of shipments from Russia, importing countries must soon rely mainly on North American wheat until new-crop Argentine reaches Europe in quantity about the beginning of March.

Overseas buyers are beginning to show some willingness to make forward commitments, apparently having now absorbed the sudden emergency purchases made during the recent war scare.

To what extent the changing political situation in Europe is likely to affect the season's demand for wheat is as yet uncertain. It seems clear, however, that mobilization of troops and other military preparations, for a time, sharply increased flour consumption as well as creating a willingness on the part of householders to lay in reserve food supplies.

U. S. Farmers Hold Back

American farmers seem reluctant to dispose of remaining wheat at low market prices. Instead, they are either storing wheat on farms or making fairly extensive use of the loan programme of the Government.

Defects and deficiencies of that programme have been cured to some extent in recent weeks making loans accessible to a larger number of farmers. Wheat on which loans are made is, in essence, tied up until next May, at which time farmers may liquidate their obligations by handing their stored wheat to the Government, if they are unable to sell it for more than the loan value. Such wheat, in turn, it is assumed, will be held by the Government to form part of the country's carryover and part of the reserve for an ever-normal granary which has been advocated by Secretary Wallace.

* * *

Australia Dry

Australia continues to complain of drought conditions and observers there predict that the crop in any event is bound to be small. Production of grain for sale may be further limited by the standard practice of Australian farmers of cutting wheat crops green for feed when the outlook for production is poor. From the market standpoint the Australian situation is offset considerably by good prospects in Argentina where rainfall has been sufficient.

* * *

Lake Rates Hold

The lake freight controversy was disposed of last week by the announcement from Chairman Ramsay of the Board of Grain Commissioners, that the Board would not alter its order imposing a maximum lake grain rate of 7c. a bushel from Fort William to Montreal. This was after a consultation with T. R. Enderby, representing the Canada Steamship Lines, and other shipping interests.

As matters turned out, the maximum rate has possibly not been of great importance, although for a period space had been in demand at 7½c. and 8c. a bushel. There has been a sufficient relaxation in shipping demands to create the opinion that the rate probably would have reverted to 7c. a bushel under such commercial conditions. As a matter of fact the present maximum is considerably above the tops of recent years, details of which are as follows:

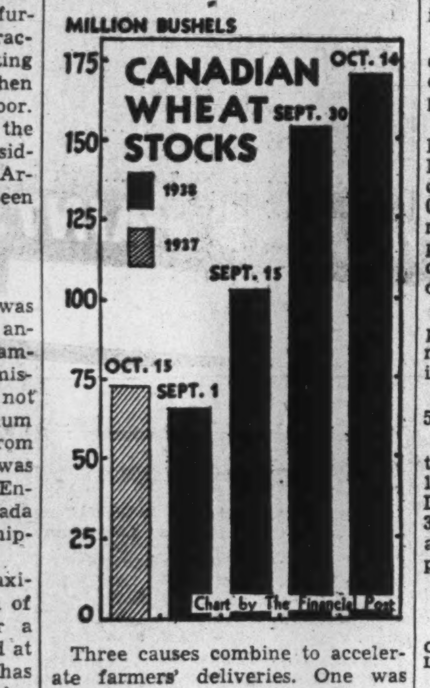
Year	High	Low	Weighted Aver.
1937	6	2.75	3.958
1936	6	3	4.399
1935	6.25	3.75	4.366
1934	6	5	5.963
1933	6.5	2.25	2.855

* * *

Stocks Piling Up

The speed with which the western wheat crop has been delivered this year is indicated by comparative figures for grain inspection for August and September. These amounted to 66,496 cars as against 38,329 cars in the same period last year. Only twice in history has the figure for inspections for that period been exceeded.

The accompanying chart indicates how rapidly these stocks of wheat are piling up in commercial storage, notwithstanding the fact that export sales recently have been averaging close to five million bushels a week.



Three causes combine to accelerate farmers' deliveries. One was prevalence of good harvest and threshing weather. A second was the great extent to which trucks are now used for hauling grain to elevators. A third was the market situation. With the Wheat Board paying a large premium over market values for wheat, farmers had no incentive to hold their grain in the hope of a price improvement, and they preferred rather to turn their crop into cash as rapidly as possible.

* * *

Low Grades Unsaleable

The export demand for Canadian wheat is confined largely to No. 1 Nor. Lower grades are proving difficult to sell. Formerly, when mixing of different grades was permitted, it would have been possible to separate and sell a good deal of high-grade wheat from large blocks of low grade, or bring up latter by adding some top quality. Mixing, however, has now been forbidden in higher grades to such an extent as to make it virtually impossible to effect improvements of this kind.

If farmers were selling their wheat on the open market it is certain that there would be such an outcry against the price discounts on lower grades as to force a re-examination of the whole question. As it is, loss incurred by the restrictions on handling Canadian wheat will be added to the deficit incurred by the Dominion treasury on account of the price guarantee. Assuming that the present situation continues, the problem is likely to be carried forward to another year, with a large part of the Canadian carryover consisting of the lower grades of wheat.

Saskatchewan Group Breaks With Aberhart

From Our Own Correspondent

REGINA.—Saskatchewan's Social Crediters have definitely broken with Premier William Aberhart's leadership.

The first effort at a break occurred just before Aberhart decided to jump into the Saskatchewan election campaign last June, when some followers in Saskatchewan formed an organization that left Aberhart lieutenants out of the picture entirely.

Recently a meeting of Social Credit adherents was called in Saskatoon. At this meeting, apparently called by Joseph Needham, M.P., who called the pre-election organization meeting, it was decided that the Saskatchewan party would not link itself with the Western Canada Social Credit Association. Intention of this body was to spread Social Credit gospel across the prairies and handle election campaigns.

The Saskatoon meeting also decided to select its own nominees for election, thus doing away with Aberhart's O. K. on chosen candidates.

Montreal Curb Market To Detail Stock Options

From Our Own Correspondent

MONTREAL. — Montreal Curb Market announces that it has decided in future to publish the names of persons and/or companies holding options to purchase stock in companies listed on the Exchange. This will apply both to new listings and companies whose shares are already listed.

Your Investment Questions Answered Without Charge

As a subscriber to The Financial Post you are entitled to information regarding any Canadian investment that you are interested in.

If not already a subscriber, address your enquiry to The Investment Department when sending in your subscription.

USE THIS COUPON

THE FINANCIAL POST.
481 University Ave.,
Toronto 2, Canada.

Please send me The Financial Post for the next year (52 issues). I enclose $5.00.

Name ....

Occupation ....

Address .... F.P.

—Photo, courtesy C.P.R.

With the visible supply of Canadian wheat mounting rapidly, activities connected with delivery and shipment of grain have been accelerated. Photo shows platform loading at a country elevator station.

West. Canada Records Loss

Net Loss of $315,305 Compares With a Profit of $72,607 in 1937

Western Canada Flour Mills and subsidiaries report an operating loss of $158,362, after all charges, including interest and taxes for the year ended July 31, 1938, as compared with an operating profit of $205,236 in the year ended July 31, 1937.

After reserve for doubtful accounts and depreciation a net loss of $315,305 is shown, against a net profit of $72,607 in 1937.

Total assets decreased to $8.5 millions at July 31, 1938, from $9.4 millions at the previous year end. Secured bank loan was reduced $279,000 in the year and now total $1.7 million; accounts payable and bills payable amounted to $652,805, a reduction of $144,544 from the previous year.

An appropriation of $516,342 from property and other reserves was made to write down properties during the year.

Working capital declined to $247,508 from $700,441.

No dividends have been paid on the preferred stock since Mar. 15, 1935, and arrears totalled $30.62½. Dividends were paid in full to Nov. 30, 1932, and at the rate of 3% per annum to Feb. 28, 1935, when the payment was deferred.

Income and Surplus Account
Years Ended July 31

	1938 $	1937 $
Operating profit	*158,362	205,236
Less: Depreciation	123,558	93,297
Res. doubtful accts.	33,385	29,332
Prov. fr. inc. tax	......	10,000
Net profit	*315,305	72,607
Add: Previous surplus	367,223	294,616
Trans. fr. gen. res.	250,495	......
Less: Invent. prem.	55,000	......
Investment res.	100,000	......
Prior inc. tax	1,015	......
Surplus forward	146,398	367,223

*Loss or deficit.

Working Capital

	1938 $	1937 $
Current assets	2,563,313	3,439,790
Current liabilities	2,315,805	2,739,349
Working capital	247,508	700,441

United Corporations Pay Class "A" Dividend

From Our Own Correspondent

MONTREAL. — United Corporations Ltd. has declared a dividend of 37 cents a share on the Class A stock for the quarter ended Nov. 15, 1938, payable Nov. 15 to shareholders of record Oct. 31.

The present rate, which remains unchanged, has been effective since the beginning of the year.

See Compromise For Coal Strike

From Our Own Correspondent

REGINA.—A compromise will likely be effected in the Estevan lignite coal mine strike, reflecting a battle between a Canadian Federation of Labor union and the C. I. O. United Mine Workers of America.

Surveys reveal the U. M. W. A. to have the majority of men signed up and the C. F. L. union in the minority. But owners have been reportedly adamant against recognizing the U. M. W. A., preferring the C. F. L. union.

It is expected the Government will announce a minimum wage agreement and that the strike, now affecting about 200 men, will be settled. In all the mine field employs at peak of season about 1,000 men.

Commodities

Industrial commodities for the most part are continuing very firm, those of a food or agricultural nature simply dawdling along. Strength of the industrials in recent weeks, however, has not yet been sufficient to compensate for the weakness of the other. As a result most indices are fractionally lower. That this situation is not expected to continue much longer, is indicated by significant recent strength of futures.

Metals especially copper and also cotton and hides have gained in the last week, rubber has eased from recent advances, silk is slightly lower, livestock definitely weak.

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$6.65	$6.75	$10.00
Hogs	8.85	9.15	9.85
Copper, lb.	.11¼	.10⅝	.13
Cotton, lb.	.0855	.0850	.0862
Rubber, lb.	.1716	.1730	.1613
Sugar, raw, lb.	.0310	.0315	.1315
Silk, lb.	1.84½	1.86	1.74½
Wheat, Man. (bus.)	.63½	.61	1.44½
Coffee, lb.	05½	.05½	.09
Hides	.13	.12	.13½

Weekly Indices

Canada (D.B.S.)	74.2	74.5	84.8
Do., Wood, Gundy,	56.8	55.7	69.2
U. S. Labor	77.8	78.0	86.0
Dow Jones (future)	48.55	48.42	57.13
Crumps (Brit.)	72.7	72.5	80.6
Fisher's	80.3	80.5	89.5

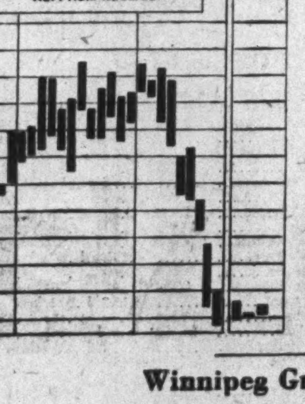
Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Sept.)	84.0	84.9	83.4
W'sale (Aug.)	78.0	78.6	85.6
U. S. (July)	78.8	78.3	87.9
Gt. Brit. (July)	100.6	100.7	111.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk — Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides — No. 1 packer light.

Wheat Prices



(Cash Quotations)

	For Week Oct. 18 High	For Week Oct. 18 Low	Prev. Week High	Prev. Week Low
1 Hard	.63⅜	.62⅛	.62	.60¾
1 Northern	.63⅜	.61⅝	.61½	.60¼
2 Northern	.59¾	.57⅞	.57½	.56¼
3 Northern	.57¾	.55⅝	.55½	.54¼
4 Northern	.50¾	.48⅛	.48	.46¾
5 Wheat	.44¼	.42⅝	.43	.41¾
6 Wheat	.37¼	.35⅝	.36¼	.34¾
Feed Wheat	.36¼	.34⅝	.35	.33¾

Competitive Export Prices:
Oct. shipments:

	Week to Oct. 18 High	Week to Oct. 18 Low
No. 1 North. (Van.)	.83⅜	.80¾
No. 3 North. (Atlan.)	.76⅞	.74⅝
No. 2 U. S. Yellow‡	.70¾	.70
Australian (afloat)	.79⅛	.75⅝
U. S. White Pac. (afloat)	.73	.71¾
Argentine Barusso	.74⅛	.74
Russian† (low quality)	.63¼	.62
Russian† (high quality)	.65⅛	.65

†Sample afloat. ‡Hard winters.

Winnipeg Grain Futures

Week to Oct. 18, 1938

Crop year from Aug. 1, 1938 High	Crop year from Aug. 1, 1938 Low		Open Oct. 12	High for week	Low for week	Close Oct. 18	Close year ago
		Wheat					
.77⅝	.56⅞	Oct.	.60¾	.62⅛	.60⅛	.60¾	1.23
.77¼	.57⅛	Nov.	.60¾	.62⅛	.60⅝	.60½	1.22⅞
.76⅝	.56½	Dec.	.60¼	.61¼	.59⅛	.59¾	1.18
.79⅛	.60¼	May	.63¾	.64¼	.62⅞	.63	1.16⅝
		Oats					
.32⅞	.26⅞	Oct.	.28	.29¼	.28	.28¼	.51½
.31½	.25¾	Dec.	.27⅜	.28⅛	.27	.27⅛	.48⅜
.33¼	.28	May	.28⅛	.29⅜	.28¼	.28¼	.46⅞
		Barley					
.45	.32⅝	Oct.	.37½	.38½	.37	.37⅛	.62¼
.44⅛	.33⅛	Dec.	.35¾	.37	.35¾	.36	.60⅝
.44⅝	.34⅝	May	.37¼	.38⅝	.37	.37	.59¾
		Flax					
1.43⅜	1.27	Oct.	1.35	1.35¼	1.31½	1.32	1.77¼
1.41½	1.25¼	Dec.	1.31½	1.31½	1.26½	1.27⅛	1.75¾
1.35¼	1.29¾	May	1.32½	1.34	1.29¾	1.30	1.77¼
		Rye					
.46½	.36	Oct.	.42⅝	.43⅜	.39¾	.39¾	.81¾
.47⅞	.36⅝	Dec.	.42	.42⅝	.40	.40⅛	.81¼
.47⅝	.39⅛	May	.44	.44⅝	.41⅝	.41¾	.82¼

Willard's Ltd. Profit Better

Earn 16 Cents on Common Shares in Year Ended June 30

Operations of Willard's Chocolates Ltd., controlled by Blue Ribbon Corp., resulted in a net profit of $33,272 in the year ended June 30, 1938, compared with a net of $41,502 for the 18 months period ended June 30, 1937.

Earnings on the 6½% preferred shares were equal to $7.02 in 1938, and $8.76 in the preceding 18 months period. Common shares earned 16 cents in 1938, against a deficit earning in the previous period.

In attempt to acquire the small minority interest the company has asked shareholders to state a price at which their shares could be purchased.

Preferred shares are in arrears to the amount of $22.75 a share.

Income and Surplus Account

	Year ended June 30 1938 $	18 Mos. ended June 30 1937 $
Net earnings	81,822	108,263
Less: Depreciation	41,550	58,584
Taxes	7,000	8,177
Net profit	33,272	41,502
Add: Prev. surplus	55,828	14,326
Surplus forward	89,100	55,828

Working Capital

	1938 $	1937 $
Current assets	389,001	399,683
Current liabilities	82,418	125,309
Working capital	306,583	274,374

Canadian Malartic Profit Increases

Production Shows Increase Over Previous Quarter

Operating profit of $144,534 is shown by Canadian Malartic Mines for the three months ended Sept. 30, 1938, before allowance for taxes, depreciation or deferred development. This compared with $110,678 the previous quarter and $113,069 a year ago.

Gross production amounted to $309,824 compared with $269,918 last year.

E. V. Neelands, general manager, states the increase in production and profit was largely due to a rise in grade of ore treated, 5,003 tons from porphyry veins averaging $11.48 per ton being included in mill feed. Veins 602 and 604 in this group are being prepared for stoping over lengths of 200 and 126 ft. respectively. Vein 701 on the 875-ft. level has been followed 270 ft., of which 96 ft. averaged 0.42 oz. gold over 2.26 ft. Further development on the porphyry zone at the 4th level cannot be done conveniently at present.

A new shaft has been commenced 2,500 ft. east of No. 1 shaft to explore the eastern section of the north zone where interesting results from diamond drilling have been obtained. It will be equipped in the winter and sunk in the spring.

Operating results are as follows:

Quarterly Earnings
Three Months Ended Sept. 30

	1938 $	1937 $
Bullion production	309,824	269,918
Less: Mktg. chgs.	4,019	3,590
	305,805	266,328
Less oper. costs:		
Diamond drilling	12,606	10,143
Mine develop.	28,563	21,975
Stoping	56,622	59,136
Milling	42,586	41,623
Mine off. & super.	8,118	8,575
Gen. exp. at prop.	6,697	5,675
Admin. & head off.	6,079	6,132
Operating profit	144,534	113,069
Capital expenditure	$39,215	$37,176
Tons milled	60,732	60,406

No allowance has been made in the above figures for taxes, depreciation or deferred development.

Position Is Bettered By Ontario Building

Ontario Building, Montreal, was earning gross revenue at the annual rate of $82,256 as at October 1, 1938, on the basis of 99.60% occupancy. Expenses, taxes and estimated loss on rental collections would leave a balance available for bond interest of $36,256. As bond interest at present rates requires $24,000, a surplus over bond interest of $12,256 would be left. This building is now taking advantage of cash discount on taxes.

Last March a payment of 1½% was made on interest coupons, which became due Sept. 1, 1936, and in Sept., 1938, another 1½% was paid.

Maple Leaf Net Hit by Exports

Covers Cash Interest and Depreciation But Deficit After Other Charges

Unsatisfactory conditions in the flour milling industry in Canada are reflected in the annual report of Maple Leaf Milling Co. for the year ended July 31, 1938. High level of Canadian wheat prices in relation to world prices was reflected in much smaller exports of Canadian flour, according to D. C. MacLachlan, president.

Mr. MacLachlan says with regard to the current year that:

"It is difficult to predict what the future has in store for the milling industry, but with a wheat crop in western Canada estimated by the Dominion Government at 334,000,000 bushels, and with this wheat being sold on a more competitive basis with the wheat of other exporting countries, it is only reasonable to expect a larger volume of export flour business than was handled last year."

Earnings in the year which ended July 31, 1938, were sufficient to provide for the portion of the company's bank and bond interest that was paid in cash after allowing for slightly higher depreciation at $183,842. But after deducting the portion of the bank and bond interest paid in cash a deficit of $165,731 was shown as compared with a net profit of $14,856 a year ago. The company was not called upon to make any payment last year under its guarantee of Eastern Bakeries preferred dividends.

Further Reorganization Coming

Mr. MacLachlan refers to the likelihood of a further reorganization as follows:

"Under the plan of reconstruction of the company which become effective Dec. 1, 1933, a portion of the interest payable on bonds and on bank loans was settled by the issue of class A shares, amounting for the year to $218,134. This plan expires on Dec. 1, 1938, and further proposals are under consideration."

This is in line with predictions made from time to time in The Financial Post that the company would not be in a position to resume full cash interest payments after Dec. 1 this year.

The balance sheet as at July 31, 1938, shows cash of $58,006 against $37,978. Largest change in current assets is the reduction in inventories from $2.8 millions to $1.6 million. There is a corresponding reduction in current bank loans from $3.4 millions to $2.2 millions.

The company's annual meeting is being held on Oct. 24, 1938, in Toronto.

Consol. Income and Surplus Account
Years Ended July 31

	1938 $	1937 $
Operating profit	346,245	548,265
Add: Invest. income	17,376	14,182
Net earnings	363,621	562,447
Less: Depreciation	183,842	180,504
Cash interest	127,377	131,953
Bond int. pd. in stk.	129,373	129,374
Bank int. pd. in stk.	88,760	88,760
Eastern Bak. divs.	......	13,000
Income taxes	......	4,000
Net profit	*165,731	14,856
Add: Previous surplus	181,174	175,895
Sale of collateral	1,498	1,475
Sale of subsid. shs.	......	58,773
Less: Loss on assets	......	69,826
Surplus forward	16,942	181,174

*Deficit.

Working Capital

	1938 $	1937 $
Current assets	2,792,914	3,774,945
Current liabilities	2,949,471	4,058,165
Excess current liabs.	156,557	283,220

Lake of the Woods Business Better

Had Deficit of $296,000 in Fiscal Year Ended Aug. 31

From Our Own Correspondent

MONTREAL. — The fiscal year which ended August 31 was one of the most difficult in the history of Lake of the Woods Milling Co., according to F. S. Meighen, president. However, there has recently been considerable improvement in the situation.

Adverse results last year were due to the premium on high grade Canadian wheat.

Better Conditions Now

Due to the larger crop and the reduction in Canadian wheat prices to world levels conditions have changed for the better. There has already been considerable improvement in business.

Net operating profit of the company in the year ended August 31 last was only $8,165, compared with $738,706 in the 1936-37 fiscal year. Although provision for depreciation was reduced from $150,000 to $75,000 there was a net loss after all charges of $296,132, compared with a profit of $328,689 last year.

Working capital dropped from $817,231 to $613,726, and the reduction would have been even greater except for the sale of an idle plant. Bank loans were reduced during the year to $625,000 from $2.9 millions. This reduction is offset by a decline in inventories from $3.5 millions to $894,717.

The depreciated value of real estate, plant and equipment is shown at $4,561,544, a reduction of $316,524 from a year ago. This is largely due to sale of an idle plant in Montreal at a reported price of $210,000. The balance sheet shows a reduction of $725,000 in the value of plant and equipment before deducting depreciation.

Income and Surplus Account
Years Ended Aug. 31

	1938 $	1937 $
Net oper. profit	8,615	738,706
Add: Divs. from contr. cos.	26,813	23,834
Inc. from invests.	2,039	1,879
Less: Exec. salaries	56,700	55,333
Directors' fees	3,410	3,790
Legal fees	481	1,317
Income taxes	700	49,377
Depreciation	75,000	150,000
Interest	197,308	195,913
Net loss	296,132	328,689
Less: Pref. divds.	105,000	105,000
Deficit for year	401,132	*223,689
Add: Prev. surplus	1,986,638	1,972,949
Less: Pref. divd. arrears	105,000	210,000
Balance forward	1,480,506	1,986,638

*Surplus.

Working Capital

	1938 $	1937 $
Current assets	1,680,811	4,271,301
Current liabilities	1,067,085	3,454,070
Working capital	613,726	817,231

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VANCOUVER SASKATOON
TORONTO CALGARY

LAKE OF THE WOODS MILLING COMPANY, LIMITED

AND ITS WHOLLY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT 31st AUGUST, 1938

ASSETS

Property Account			
Land, Water Power, Buildings, Machinery and Equipment at Cost, less depreciation applied, and the annual amount of depreciation written off Automobiles and Trucks		$6,467,076.25	
Less: Reserve for Depreciation		1,905,531.46	$4,561,544.79
Deferred Charges to Revenue			42,803.02
Investment in Controlled Company—Allied Industry: (Held by the Trustee for the Bondholders)			609,165.00
Sundry Investments—Grain Exchange Seat, etc.			6,332.00
Goodwill, Trade Marks, etc.			250,000.00
Cash on Hand and in Banks		$60,827.92	
Investments (Market Value $14,160.00)		15,000.00	
Accounts Receivable After providing for Bad and Doubtful Debts		710,266.09	
Inventories Valued as follows:— Grain at approximate Market Value. Flour and Feed at approximate Manufactured Cost Bags and Materials at approximate Manufactured Cost and approximate Cost Price respectively		894,717.46	1,680,811.47
			$7,150,856.28

LIABILITIES

Capital Stock			
Authorized: 200,000 Shares of No Par Value. 15,000 Shares of 7% Cumulative Preferred Stock of $100.00 each.			
Issued: 147,689 Shares of No Par Value		$2,953,780.00	
15,000 Shares of 7% Cumulative Preferred Stock of $100.00 each		1,500,000.00	$4,453,780.00
First Mortgage Bonds, 6% Due 1st May, 1941: Issued and held by the Banks as collateral to Loans	$4,000,000.00		
Bank Loans Secured as Above and Under Sections 86 and 88 of the Bank Act		625,000.00	
Accounts Payable		403,447.86	
Provision for Federal, Provincial and Municipal Taxes		38,637.66	1,067,085.52
Insurance and Other Reserves			149,485.00
Earned Surplus			1,480,505.76
			$7,150,856.28

PROFIT AND LOSS AND SURPLUS ACCOUNT FOR THE YEAR ENDED 31st AUGUST, 1938

Balance—at 31st August, 1937			$1,986,638.20
Net Operating Profit for the year ended 31st August, 1938		$8,614.85	
Less: Interest	$197,308.39		
Depreciation	75,000.00		
Provision for Income Taxes	700.00		
Directors' Fees	3,410.00		
Executive Salaries	56,700.16		
Legal Fees	480.58	333,599.13	
		324,984.28	
Dividends from the Investment in the Controlled Company	26,813.25		
Income from Investments	2,038.59	28,851.84	296,132.44
			1,690,505.76
Deduct: Dividend on the Cumulative Preferred Stock—Dividend for two years			210,000.00
Balance—at 31st August, 1938, per Consolidated Balance Sheet			$1,480,505.76

Contingent Liabilities:
Guarantee of $1,169,500.00, 5½% Bonds of Inter City Baking Company, Limited.
On Customers' Paper under Discount $201,770.16.

Note: Dividends upon the Cumulative Preferred Stock are in arrears for one year.

On behalf of the Board: R. W. REFORD, C. H. G. SHORT, Directors.

MONTREAL, 4th OCTOBER, 1938.

We have examined and audited the Books and Accounts of the Lake of the Woods Milling Company, Limited and of its Wholly Owned Subsidiary Companies for the year ended 31st August, 1938.

The Investment in the Controlled Company appears in the Balance Sheet at what, in our opinion, may be considered a fair valuation. The dividends paid by this Company were less than its earnings during the period under review.

The Inventories of Stocks on Hand have been determined and certified correct by responsible Officials of the Companies, and we have satisfied ourselves that the basis of valuation is as stated.

Subject to the above remarks, we report that we have obtained all the information and explanations we have required, and that, in our opinion, the above Consolidated Balance Sheet as at 31st August, 1938 is properly drawn up so as to exhibit a true and correct view of the state of the Combined Companies' affairs, according to the best of our information and the explanations given to us, and as shown by the Books of the Companies.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants, Auditors.

STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING OCTOBER 17

Range 1938 High	Low	DivOct15 R'te $	Y'ld %		Sales	Last Oct. 10	Week end. Oct. 17 H	L	Cl'se
				A					
4.75	1.00	.	...	Abitibi	17884	4.00	4.12	3.75	3.75
33	8½	.	...	Do. pref. 6%	13711	31½	32¾	28	28½
40	25	.	...	Do. pref. 7%	15	35	40	40	40
26¾	9	.	...	Do. cert. dep.	....	(22½ Oct. 4)			
4½	4½	30c	...	Acadia Sugar	....	(3 bid 4½ asked)			
7	5	50c	...	Acme Glove	....	(— bid 6½ asked)			
82	60	6.50	10.8	Do. pref.	....	(— bid 75 asked)			
11	8½	60+20c	8	Agnew Surp.	....	(9½ bid 10 asked)			
110	103	7	6.7	Do. pref.	20	104½	105	105	105
5½	2	.	...	Alta. Pac. Gr.	130	3	3¾	3½	3½
29	10½	.	...	Do. pref.	....	(22½ bid 30 asked)			
131	75	.	...	Aluminum	10	104¾	131	131	131
107	107	6	5.6	Do. pref.	....	108½ bid 112 asked			
3	2	.	...	Amal. Electric	....	(— bid 3 asked)			
30	25	.	...	Do. pref.	....	(25 bid — asked)			
26½	23	60+$1	..	Amer. Cyn. B.	....	(— bid 25 asked)			
103	47	2+1.50	3.5	Asbestos	6153	95	103	93½	100½
16	11½	80+25c	7	Assoc. Brew.	184	15	15½	15	15
113	106	7	6.2	Do. pref.	....	(112 bid — asked)			
6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 8 asked)			
43½	34	1.26	...	Do. pref.	....	(— bid 37½ asked)			
101	100	5.50	5.5	Ault & Wiborg.	....	(100 bid — asked)			
				B					
164	160	8	4.9	Bk. Can. Nat.	10	161	162	161	162
223	195	8	3.6	Bk. Montreal	318	218	220	215	215
310½	290	12	3.8	Bk. N. Scotia	167	305	310	307	310
249	227	10	4.2	Bk. Toronto	68	238	238	237	237
6	5	.	...	Barcelona	....	(4½ bid 14 asked)			
6	4½	.	...	Barker's Bread	....	(— bid 5 asked)			
40	30	2.50	8.3	Do. pref.	....	(25 bid 40 asked)			
11½	6½	25c	...	Bathurst Pr.	1010	10½	10½	9½	10
5	2	.	...	Do. (B)	5	4	3¾	3¾	3¾
2¾	1	.	...	Bawlf Grain	1425	1½	1½	1½	1½
29	15	.	...	Do. pref.	....	(16 bid 22 asked)			
2	2	.	...	Beath & Sons	....	(1¾ bid 2 asked)			
15	6½	.	...	Beatty Bros. A.	215	9	10½	9	9
106	90	6	5.8	Do. pref.	25	102	103	102	102
105	90	7	7.2	Do. 2nd pref.	....	(— bid 99 asked)			
5¾	2	.	...	Beauharnois	5129	3¾	4	3½	3¾
*107	100	4	3.8	Belding Cort.	....	(— bid 100 asked)			
135	129	7	5.3	Do. pref.	51	131	132	130	132
166½	146½	8	4.8	Bell Telephone	1047	166½	166	164	166
11¾	6¾	50+12½c	7	Biltmore Hats.	520	7¾	8¾	8	8½
5	3	.	...	Blue Ribbon	505	3½	4	3½	4
35	25	2	7.2	Do. pref.	83	28	28	28	28
25	21	1.30	5.4	Brant. Cord. pf.	355	24	24	23½	24
14½	7½	1	8.3	Brazilian Tr.	9357	12¾	12¾	11½	11¾
7½	4	50+50c	..	Brew. & Distil.	95	4	5	4¾	4¾
6	5½	30c	6	Bright, T. G.	....	(4¾ bid — asked)			
80	77	6	7.8	Do. pref.	....	(77 Aug. 9)			
22	16¾	1	4.5	Brit. Amer. Oil	11187	21	22	20¾	21¾
16	9	.	...	B. C. Packers	31	13	13	12	13
34	25	2	6.5	B. C. Power A.	2877	30	30½	30	30½
5½	2½	.	...	Do. (B)	1866	4	4¾	2½	4
4¾	2½	.	...	Bruck S. Mills	105	3½	3½	3½	3½
60	37	2+50c	4.4	Building Prod.	615	56¾	57½	56	57
14½	9½	60c	5	Burlington Steel	105	13	13	12	12
3½	2	.	...	Burry Biscuit	....	(— bid 3½ asked)			
*60	30	3	...	Do. pref.	....	(— bid — asked)			
25	16½	1.20	5.4	Burt, F. N.	605	21½	22	21	22
				C					
85	85	.	...	Calgary Power	....	(80 bid — asked)			
88	83½	6	6.8	Do. pref.	....	(91 bid — asked)			
7	2	.	...	Canada Bread	140	5½	5½	5	5
92½	80	5	5.5	Do. pref.	2	90	90¾	90¾	90¾
51	40	2.50+12½c	5	Do. pref. B	140	50	51	50	51
9	3½	40c	8.7	Canada Bud	160	4½	5	4¾	4¾
13	7	.	...	Canada Cement	1180	10¾	10½	9½	9½
110	84½	3.50+2▲	...	Do. pref.	414	95	96¾	93½	93½
29½	23	50c+25c	..	C. & D. Sugar	2573	27	30	27	29¾
b21½	12½	25c	...	Canada Dry	12800	16¾	18¾	16¾	17
17	9	1.25	...	Can. Forg. (A)	....	(— bid 14 asked)			
10	7½	.	...	Do. (B)	....	(9 bid — asked)			
30	30	.	...	Can. Iron	....	(30 Apr. 7)			
70	70	3.50	...	Do. pref.	....	(50 bid — asked)			
36½	27	1.50+50	6	Can. Malting	641	32½	33	31½	32½
20	16	1.20	6.7	Can. Nor. Pr.	267	17	18	17	17
113½	103	7	6.2	Do. pref.	419	109¾	112	110	112
72	68	3	4.2	Can. Packers	101	70	71	70	70
[illegible]	1½	.	...	Can. Pav., pf.	....	(— bid 2 asked)			
150	128	8	6	Can. Perman.	90	133	134	133	133
7	6	50c	...	Can. Starch	....	(6½ bid 7½ asked)			
108	105	7	6.5	Do. pref.	....	(105 bid — asked)			
4½	1½	.	...	Can. Steamsh's.	350	3¾	3¾	3	3
16¾	6½	50c●	...	Do. pref.	1503	13½	13¾	12	12½
17½	12	1.20	7.7	Can. Vinegars	90	15½	15½	15	15
67	47	.	...	Can. W. Cable	40	49	51	50	50
22	15	.	...	Do. (B)	90	18	18½	18	18
97	96½	6.50+10▲	...	Do. pref.	....	(100 bid — asked)			
3	1½	.	...	Can. Bakeries	....	(1½ July 25)			
30	25	.	...	Do. pref.	15	30	25	25	25
178	157	8	4.5	Can. Bk. Com.	399	174	177¾	173	177
2.50	.90	.	...	Can. Breweries	795	1.75	1.85	1.65	1.65
22	14	2	10.5	Do. pref.	145	19½	20	18¾	19
41	28½	1.50+50c	5	Can. Bronze	155	40½	41	40½	40½
106	102¾	5	4.8	Do. pref.	....	(104 bid — asked)			
6	4	.	...	Can. Canners	208	4	5	4¾	5
19	15½	1	5.7	Do. 1st pfd.	2685	17	18	17	18
9	6½	60c	7.7	Do. 2nd pfd.	49	7¾	7¾	7	7¾
18½	7½	.	...	Can. Car & Fd'y	4300	16	16½	15¾	16
30	18½	1.75	6	Do. pref.	2415	28½	29¾	28½	29
20	9	.	...	Can. Celanese	135	14½	14½	14	14
107	88	7	7.8	Do. pref.	130	90	90	89	90
20	15	1	...	Do. Rights	100	16	16	16	16
10½	6	.	...	Can. Convert.	....	(7 bid — asked)			
76	63	4	5.6	Can. Cottons	....	(65 bid 75 asked)			
108	99	6	6	Do. pref.	10	100	99½	99½	99½
35	15	.	...	Can. Dredge	65	21	22	21	22
106	100	6	5.6	Can. Fairb. pf.	29	100	106	106	106
19	7	.	...	Can. For. Inv.	....	(8½ bid — asked)			
105	100	8	8	Do. pref.	....	(— bid 101 asked)			
194	170	6	3.3	Can. Gen. Elec.	....	(— bid 200 asked)			
8½	7½	50c	6.2	Can. G. Inv.	145	8	8	8	8
4¾	1½	.	...	Can. Ind. Alc.	835	3	2¾	2½	2½
4	1½	.	...	Do. (B)	50	2¾	2¾	2¾	2¾
220	178	4.50	...	Can. Indust. B.	15	206¾	220	220	220
165	155	7	4.3	Do. pref.	....	(— bid 167 asked)			
1.00	1.00	.	...	Can. Int. I. Tr.	....	(.50 bid .90 asked)			
*90	70	5	...	Do. pref.	....	(— bid 62½ asked)			
15½	13	1	6.7	Can. Lt. & Pr.	....	(14 bid 18 asked)			
10½	5½	.	...	Can. Locomo.	65	7½	8½	8	8
1.65	.75	.	...	Can. Marconi	906	1.15	1.30	1.20	1.20
16	10	50+12½c	6	Can. Oil	....	(— bid 13½ asked)			
123	110	8	6.7	Do. pref.	50	119	120	119	120
8½	5	.	...	Can. Pacific	9678	6¾	6¾	6½	6½
2.50	.50	.	...	C. Pr. & Pa. In.	203	.60	1.25	.90	1.25
10	3	.	...	Do. pref.	....	(7 bid 12 asked)			
11½	3	.	...	Can. Vickers	345	8½	8½	8½	8½
45	15	.	...	Do. pref.	100	30	40	40	40
10	8	1	10	C. Wallpaper A.	....	(— bid 19½ asked)			
12	12	1	8.3	Do. (B)	....	(— bid 18 asked)			
52	50	2	3.8	Can. West'ho'se	50	52	52	52	52
3.50	1.95	15c	...	Can. Wineries	235	3.12	3.00	3.00	3.00
21	17	1.50	6.8	Can. Wire Box.	....	(18 bid 21 asked)			
3.15	1.25	.	...	Capital Estates	200	1.25	1.32	1.30	1.30
104½	98½	5	4.8	Carnation, pfd.	5	104½	104	104	104
6½	3	25c	...	Catelli Food	....	(4 bid 6 asked)			
10	7	75c	7.5	Do., pref.	100	10	10	10	10
2	1½	.	...	Celtic Knit.	....	(1¾ bid — asked)			
170	170	8	4.7	Cent. Can. L'n.	....	(— bid 175 asked)			
100	98	4	4	Chartered Trust	6	99	98	98	98
.95	.25	.	...	Chem. Research	2250	.80	.75	.65	.65
.70	.25	.	...	City Gas & El.	....	(.35 bid — asked)			
.35	.05	.	...	Claude Neon	....	(.15 bid .20 asked)			
1.35	1.00	12c	9.6	Coast Brew.	900	1.28	1.28	1.22	1.25
13½	6¾	.	...	Cockshutt Plow	2265	9¾	10	9¾	9¾
1.85	.90	.	...	Comm. Alcohol	810	1.50	1.50	1.40	1.40
4¾	4	40c	9.4	Do. pref.	110	4½	4½	4½	4½
5	4	20c	...	Conduits Nat.	....	(— bid 4 asked)			
16	11½	1	6.7	Cons. Bakeries	180	15	15½	14½	15
9¾	3½	.	...	Cons. Paper	31185	8¾	9¾	8¾	8¾
15	9	90c	...	Cons. Press	....	(9 bid 10 asked)			
80	70	3.50	...	Cons. Sand, pf.	....	(75 bid 90 asked)			
66½	45¾	50c+50c	...	Cons. Smelters	17832	60½	66½	60½	65½
199¾	173	10	5.6	Consumers' Gas	172	179	179½	177	177
82	50	.	...	Corr. P. Box, p.	....	(45 bid 60 asked)			
24	16	1+25c	5.7	Cosmos Imp.	40	17	22	21	22
105	101½	5	4.8	Do. pref.	....	(105 bid — asked)			
20	16½	1	5.1	Crown Cork	250	19	19½	19	19
2	1½	.	...	Crown Dom. Oil	....	(1½ bid 2 asked)			
39	29	4.50	...	Crow's N. Coal	20	30	31	30	30
				D					
10½	3	40+10c	..	David & Fre. A	125	9	10¾	10½	10½
1.05	.50	.	...	Do. (B)	605	.50	1.05	1.00	1.05
14½	5	.	...	De Havilland	10	6	11	11	11
80	65	.	...	Do. pref.	155	69	80	67½	80
3	3	.	...	Disher Steel	....	(2¾ bid 4½ asked)			
*18¾	15½	50c	...	Do. pref.	....	(— bid 16½ asked)			
19	11	1.50	...	Distill-Seagram	8740	17½	19	16¾	18¾
82	66½	5	6.2	Do. pref.	50	80	82	80	80
..	..	.	...	Dom. Ang. Inv.	....	(— bid 90 asked)			
*95	95	5	...	Do. pref.	....	(70 bid — asked)			
216	189	10	4.8	Dom. Bank	25	205	212	207	212
39	21	1.20	3.3	Dom. Bridge	2029	36½	36½	35½	35½
20	15	1.50	8.2	Dom. Coal, pf.	210	18½	18½	18	18
48½	21	50c	...	Dom. Engineer.	145	45	45	43¾	43¾
50	21	1.30	2.6	Dom. Foundries	4208	45	50	44	49
102	98	6	6	Do. pref.	....	(100 bid — asked)			
110	96¾	5	4.9	Dom. Glass	10	105	102	102	102
150	142½	7	4.7	Do. pref.	71	145	150	146	150
32	30	.	...	Dom. Oilcloth	50	30	32	32	32
2	¾	.	...	Dom. Scot. Inv.	....	(¾ bid 1½ asked)			
33	29	2	...	Do. pref.	....	(30 bid 35 asked)			
16¾	8½	.	...	Dom. St. & C.B.	15462	13¾	13½	12	12
8¾	4¾	.	...	Dom. Stores	417	6½	6½	6	6½
10	4¾	.	...	Dom. Tar & Ch.	1045	8	8	7¾	7¾
85	71	5.50	6.9	Do. pref.	40	81	80	80	80
70	58	5	7.7	Dom. Textile	173	66	65	64	64
150	135	7	5	Do. pref.	50	135	140	140	140
8½	3½	.	...	Donnacona P.A.	2825	7½	7½	7½	7½
7½	3½	.	...	Do. (B)	640	7	7¾	6½	6½
8½	4	.	...	Dryden Paper	370	7½	8	7½	7½
				E					
1½	½	.	...	East. Koot. Pr.	....	(½ bid — asked)			
12	5	.	...	Do. pref.	....	(8½ bid — asked)			
1.35	.55	.	...	East. Dairies	....	(.55 bid .85 asked)			
8	3½	.	...	Do. pref.	55	5	5½	5½	5½
17	12	1	6.7	East. Steel	....	(16 bid 18 asked)			
105	99	7	6.9	Do. pref.	....	(102 bid — asked)			
54	54	7	12.9	East. Theat. pf.	....	(60 bid 84 asked)			
5	2½	.	...	Easy Washing	....	(3¾ bid 4 asked)			
32	24	2	...	Economic Inv.	....	(27 bid 30 asked)			
17	11¾	1.60+30c.	..	Electrolux	195	14½	15	14	14
3½	1½	.	...	Enam. & Heat.	....	(2 bid — asked)			
35	24	2.50	9.4	English Electric	185	26½	30	29	29
14	5	.	...	Do. (B)	15	8½	8½	5½	5½
8	5½	.	...	Equitable Life	270	6½	6½	6	6
8	6	60c	...	European El. A.	30	7½	7½	7½	7½
.10	.01	.	...	Do. Warrants	....	(.01 bid — asked)			
				F					
8½	3	.	...	Fairchild Air.	1995	5¾	6½	5½	6
24½	20	45c	...	Fam. Players	....	(18 bid — asked)			
24½	19½	45c	...	Do. Vot. Tr.	....	(— bid 24 asked)			
22	14¾	1+25c	5.7	Fanny Farmer	3918	20¾	22	20½	21½
15	4½	.	...	Fleet Aircraft	2610	11½	12	11	12
5	3	.	...	Fleury Bissell	....	(4 bid — asked)			
43	30	2.50		Do. pref.	5	41	40	40	40
23¾	14¾	1	4.2	Ford Motor A.	6354	23	23¾	22¼	23¾
.50	.35	.	...	For. Pr. Secs.	....	(.25 bid — asked)			
16	8½	50c†	...	Foundation Co.	125	15	15	14	14
20	9	.	...	Fraser Cos.	368	19	20	18¼	18¾
21½	10	.	...	Do. Vot. Tr.	4003	20¾	21½	20	20
40	37	.	...	Freiman, pf.	56	38	37½	37½	37½
				G					
14½	6½	20c*	...	Gatineau Pwr.	2869	12½	14½	13	14
90	74¾	5	5.7	Do. pref.	898	89	90	87	88
5½	3	.	...	Do. Rights	2370	3¾	4¾	3¾	4¾
10½	5	.	...	Gen. St. Wares.	7941	10½	10½	9½	10½
88½	45	.	...	Do. pref.	1109	80	88½	79	88
73¾	52	2.50	3.4	Goodyear Tire	40	64	73¾	70	70½
59	51	2.50	4.4	Do. pref.	500	55	57	56½	57
13	4¾	.	...	Gt. Lakes Pap.	35	7	9¾	9¾	9¾
33	16	.	...	Do. pref.	....	(20¾ bid 23¾ asked)			
10	4½	.	...	Do. Vot. Tr. c	1207	8	10	8½	8¾
24½	14	.	...	Do. Vot. Tr. p	2415	20¾	24½	20	22½
2½	1	.	...	Gt. W. Saddlery	....	(1½ bid 2 asked)			
25	18	75c	...	Do. pref.	....	(— bid 23 asked)			
12	9½	60c	6.3	Greening Wire.	....	(10½ bid 11 asked)			
..	..	.	...	Growers' Wine.	....	(— bid 1.35 asked)			
8½	5	†30c	...	Gurd, Chas.	180	6½	7	6½	6½
106	102	7	6.7	Do. pref.	....	(105 bid 108 asked)			
8¾	4	.	...	Gypsum, Lime.	12106	6¾	7½	6¾	7½
				H					
9½	5	.	...	Ham. Bridge	100	7½	8	7	8
53	29	.	...	Do. pref.	5	29	35	35	35
34	27	2+50▲	6.4	Ham. Cot. pf.	25	32	31	31	31
1.50	.60	.	...	Ham. U. Theat.	....	(.60 bid 1.00 asked)			
55	48	6	12.5	Do. pref.	2	53½	49	48	48
4	2½	20c	...	Harding Carpet	20	3	3	3	3
*5	2½	.	...	Hillcrest Coll.	....	(— bid 2½ asked)			
*25	12	.	...	Do. pref.	....	1.00 bid 1.25 asked			
17½	13½	1	6.2	Hinde & Dauch	320	15	16	15	16
20	20	.	...	Holt Renfrew	....	(20 Mar. 21)			
50	50	.	...	Do. pref.	....	(— bid 55 asked)			
2¾	1½	.	...	Home & Ind. P.	1250	1½	1½	1½	1½
.60	.30	.	...	Honey Dew	....	(.25 bid .40 asked)			
14	8	.	...	Do. pref.	....	(8 bid 12 asked)			
18	9	.	...	H. Smith Pap.	400	16½	17	16	16
98	90	6	6.1	Do. pref.	232	98	98	97	98
25	12	1.75	...	Humberstone S.	25	16	17	15	15
12	5	.	...	Hunts (A)	....	(— bid 7 asked)			
10	5	.	...	Do. (B)	....	(3 bid 6 asked)			
75	57	4	5.5	Huron & E. Mt.	9	65	72½	70	72½
10	6½	80c	...	Do. 20% pd.	10	10	9	9	9
3½	3½	20c	...	Hydro El.	....	(4¾ bid — asked)			
				I					
215	190	10	4.8	Imperial Bank	25	210	212	208	212
19¾	14½	50+75c	7	Imperial Oil	12890	18	18	17¾	17¾
16	13½	40+22½c	..	Imperial Tob.	7285	15¾	15¾	15½	15¾
8	6½	6%	...	Do. pref.	1060	7¾	7¾	7¾	7¾
32½	23	2	6.2	Indust. Accept.	45	32	32	32	32
23	19½	1.25	...	Inter-City Bak.	....	(22½ bid — asked)			
43	38	6+2	...	Inter'c Coal	1	42	38	38	38
126	120	8	6.4	Do. pref.	....	(— bid 125 asked)			
23	22½	1.50	6.5	Inter. Bronze	....	(16 bid — asked)			
30	23½	1.50	6	Do. pref.	170	28	30	25	25
.20	.20	1½c	...	Int. Coal & C.	....	(.25 bid — asked)			
b7¾	3½	.	...	Int. Hyd. E. A.	24811	6½	7¾	6¼	7½
9½	4	.	...	Int. Metal Ind.	744	7½	8	7	7½
81	60	6	7.7	Do. pref.	95	80	80	77	80
75	68	6	8	Do. pref. A.	100	68	75	75	75
104	98½	5	4.8	Int. Mill., pf.	35	102½	103	102½	103
57	37	2+25c	4.1	Int. Nickel	31036	54¾	57	53¾	55½
4¾	1½	.	...	Int. Paints	425	3½	3¾	3	3
15	10	1+25c▲	...	Do. pref.	....	(12½ bid 17 asked)			
b11¾	4½	.	...	Int. Pap. & P.	18824	10½	11	10	10½
b47¾	18¾	.	...	Do. pref.	15027	44½	45½	44	43½
31½	22	1.50+1	9.2	Int. Pete.	7043	27	27¾	26¾	27
5¾	2	.	...	Int. Power	110	5¾	5½	5½	5½
85½	71	6	7.5	Do. pref.	70	81	80½	80	80
11½	10½	1.12	...	Int. St. Rlty. A.	....	(— bid 14 asked)			
3¾	3¾	.	...	Do. (B)	....	(3¾ bid 4 asked)			
9¾	5	.	...	Int. Util. (A)	45	5½	8	8	8
1.00	.40	.	...	Do. (B)	5325	.70	.95	.65	.80
				J, K, L					
37	22	1.75	5	Jam. Pub. Ser.	25	35	35	35	35
130	121	7	5.8	Do. pref.	....	(125 bid — asked)			
15½	10	75c	...	Kelvinator	84	15	15½	15	15½
34	13	.	...	L. St. John Pr.	225	31	30	30	30
13	2	.	...	Lake Sulphite	....	(3 bid 4 asked)			
17½	10	.	...	Lake of Woods.	1520	15	17	14½	16½
120	100	7	6.9	Do. pref.	....	(104 bid — asked)			
65	55	5	7.9	Landed Bank	....	(58 bid 70 asked)			
14	9	70c	6.4	Lang, J. A.	....	(— bid 19 asked)			
3	2½	.	...	Langley's	....	(— bid 4 asked)			
30	30	2.50▲	...	Do. pref.	....	(30 bid 47 asked)			
74	54	3	4.4	Laura Secord	475	64¾	74	65	73
11	7	.	...	Legare, pref.	....	(— bid 11 asked)			
5	2½	.	...	Lindsay, C. W.	50	2½	4	4	4
*78	60	4▲	...	Do. pref.	....	(— bid 70 asked)			
24	19½	1+12½c	4.7	Loblaw (A)	610	23	23½	23½	23½
22	18	1+12½c	5.1	Do. (B)	1196	21½	22	21	22
				M					
1.45	.40	.	...	Mackenzie Air.	1200	.95	.80	.80	.80
3	2½	.	...	MacKin. Steel.	50	3	2½	2½	2½
70	60	5.25	...	Do. pref.	54	62	62	62	62
17	7	.	...	Maclaren Pr. p.	350	15	15	14½	14½
4	2½	70c	10.5	M. L. Gardens.	1	3¾	3½	3½	3½
7½	4	.	...	Do. pref.	30	6½	6¾	6¾	6¾
3½	1½	.	...	Maple Leaf	435	2½	2¾	2	2
6	2½	.	...	Do. pref.	507	4½	4½	4½	4½
15¾	15¾	70c	4.4	Maritime Tele.	....	(15 bid 15¾ asked)			
*16¾	16	70c	...	Do. pref.	....	(15 bid — asked)			
15	15	.	...	Marcus Loew's.	....	(12 bid — asked)			
115	115	7▲	...	Do. pref.	....	(— bid 115 asked)			
10½	4¾	.	...	Massey-Harris	6040	8	8¾	7¾	8½
63	28	.	...	Do. pref.	4395	58	60½	55	60
14	6¾	40c	3.8	McColl Fron.	4357	11	10¾	10½	10¾
101	83	6	5.9	Do. pref.	670	99½	101	100	101
2.63	1.25	.	...	Melchers	25	1.50	1.50	1.50	1.50
6½	5	60+20c	..	Do. pref.	401	6	6	5¾	6
2½	2½	.	...	Mercury Mills	....	(— bid 2 asked)			
19½	5	.	...	Do. pref.	....	(6½ bid 10 asked)			
50	50	2	4	Mitchell, J. S.	....	(50 bid — asked)			
112	109	7	6.2	Do. pref.	....	(112 bid — asked)			
21	7½	.	...	Mitchell, Robt.	1285	18	18¾	17½	18
*5½	4	.	...	Monarch Knit.	....	(— bid 2 asked)			
*86	50½	.	...	Do. pref.	....	(— bid 31 asked)			
35	35	2	5.7	Montreal Cot.	....	(— bid 43 asked)			
106	95	7	7.3	Do. pref.	....	(97 bid — asked)			
1.00	.70	.	...	Mont. Is. Pr.	....	1.00 bid 2.25 asked			
31	25½	1.50	4.8	Mont. L. & Pr.	14192	30½	31	30	30
29	27	2	7.3	Montreal Loan.	....	(26 bid — asked)			
1.50	1.00	.	...	Mtl. Refrig. & S	....	(1.00 bid — asked)			
14	13½	2.25	...	Do. pref.	....	(14 bid — asked)			
62	55¾	3.20	5.3	Montreal Tele.	....	(58 bid — asked)			
90	68	9	11.7	Montreal Trams	20	78	78	77	77
38½	25	1.60+40c	5	Moore Corp.	844	37	38	37½	38
172	135	7	4.2	Do. pref. (A)	144	160	165	165	165
220	179½	7	3.2	Do. pref. (B)	....	(220 bid — asked)			
.50	.10	.	...	Muirheads	....	(.15 bid .50 asked)			
4	3	.	...	Do. pref.	....	(3½ bid 3½ asked)			
				N					
42½	24	2	4.8	Nat. Breweries	4847	42	42½	41	41
44	38	1.75	4.2	Do. pref.	25	42	42	42	42
7½	3¾	.	...	Nat. Grocers	255	5	5½	4¾	4¾
126½	115	7	6	Do. pref.	9	115	116	116	116
20	10	.	...	N. Sew. Pipe A.	9	10	12½	12½	12½
67	31	2	3.2	Nat. Steel Car.	8505	62½	63	59	60½
210	190	8	4.2	National Tr.	....	(190 bid 195 asked)			
34	20	1	3.6	Niag. W. Weav.	20	28	28	28	28
1.50	1.00	.	...	North Star Oil.	....	(— bid 2 asked)			
3¾	3	35+8¾c▲	10	Do. pref.	....	(3½ bid 3½ asked)			
93	93	6	6.4	N. S. L. & Pr.	30	..	93	93	93
106	104	6	5.7	Do. pref.	....	(105 bid — asked)			
15	9	.	...	N. S. Steel, pf.	....	(13 Aug. 11)			
				O					
31	23	1	3.3	Ogilvie Flour	787	30	30	29¾	29¾
158	145	7	4.5	Do. pref.	51	150	155½	154½	154½
107	103¾	5	4.7	Ontario Loan	29	106	107	107	107
*7½	4¾	.	...	Ont. Silknit	....	(— bid 5½ asked)			
17	17	.	...	Do. pref.	....	(— bid 19 asked)			
12	5	.	...	Ont. Steel	55	5½	6	6	6
114	95	7	7.4	Do. pref.	....	(— bid 105 asked)			
2	1	.	...	Orange Crush.	5	1½	1¾	1¾	1¾
6	3	70c	12.2	Do. pref	40	5½	5¾	5¾	5¾
55	24	†1	...	Ottawa Car	....	(40 bid 55 asked)			
36	14	.	...	Ottawa El. Rly.	....	(— bid 14 asked)			
87	76½	6	7.5	Ott. L. H. & Pr.	51	78	80	78	80
101½	97	5	5.1	Do. pref.	5	98	98	98	98
				P, Q, R					
20	10	.	...	Pacific Coyle	....	(10 Apr. 11)			
99½	77½	4+25c	4.3	Page Hersey	876	99	99½	98	99½
7¾	4	.	...	Pantepec Oil	....	(— bid 5½ asked)			
16	15	.	...	Paton Mfg.	....	(— bid 15 asked)			
100	100	7	7	Do. pref.	....	(—bid — asked)			
55	42	3	6.8	Penmans	95	42	43¾	43	43½
125	122	6	4.8	Do. pref.	....	(128½ bid — asked)			
19	15	1	5.7	Photo Eng.	....	(16½ bid 17½ asked)			
99¾	95½	7	7.3	Porto Rico Pr. p	15	98	98	96	96
16¾	9	†30c	...	Power Corp.	825	15	15½	14½	15
101	92	6	5.9	Do. pref.	64	100	101	98½	99½
45	44	3	6.8	Do. 2nd pref.	27	45	44	44	44
20	10	.	...	Pressed Metals.	100	20	21	20	20
21¾	8½	.	...	Price Bros.	7315	21	21¾	20	21
63	34	.	...	Do. pref.	255	57	63	57½	60
7½	5½	20c	3	Prov. Transport	100	6¾	6¾	6¾	6¾
19	14	1	5.7	Quebec Power	300	17	17¾	17	17¾
4½	3¾	.	...	Quebec Tele.	....	(4¾ bid — asked)			
40	37	2	5.4	Real Estate L'n	....	(35 bid 40 asked)			
9¾	3	.	...	Regent Knit.	....	(4 bid 5½ asked)			
25	22	1.60	7	Do. pref.	25	23	22	22	22
2¾	1½	30c	...	Reinhardt Brew	225	1¾	1½	1¾	1¾
7½	3	.	...	Reliance Grain.	....	(2½ bid — asked)			
12½	10½	90c+*1%	..	Remington R'd.	....	(12½ Apr. 20)			
27	18	2	8	River S. Mill	100	23½	25½	25	25½
4½	2	.	...	Rogers Majest.	515	3½	3½	3	3½
16	16	1	6.2	Rolland Pap.	....	(16 June 25)			
18	10½	.	...	Do. Vot. Trust	95	13	15	14	14
102½	95	6	6	Do. pref.	15	99	99	99	99
192	165	8	4.2	Royal Bank	974	187½	191	190	191
70	63	6	...	Russell Indust.	....	(68 bid — asked)			
110	103	7	6.7	Do. pref.	....	(110 bid 115 asked)			
				S					
103	95	5.50	5.4	Saguenay Pr. p	82	102½	102¾	101½	101½
11	6½	.	...	Sarnia Br. (A)	....	(6 bid — asked)			
5	4	.	...	Do. (B)	....	(3 bid 6 asked)			
23	16	80+5c	4	Shawinigan Pr.	2785	21	22	21	21¾
17	10	.	...	Sher. Wms.	90	14	14½	14½	14½
120	100½	7	6.4	Do. pref.	10	100½	109	109	109
1.75	.50	.	...	Silverwoods	90	1.75	1.75	1.75	1.75
4	1¾	40c	11.4	Do. pref.	25	3¾	3¾	3½	3½
10½	7½	95c	...	Simon & Son	*10	9½	9½	9½	9½
110	110	7	6.4	Do. pref.	....	(— bid 110 asked)			
18	8	.	...	Simpson, A.	....	(13 bid 14 asked)			
8½	2½	.	...	Do. (B)	....	(4½ bid 8 asked)			
95	70	5+1▲	5.9	Do. pref.	287	82	85	81	83½
115	105	6	5.2	Simpson, R., pf.	190	112½	115	112½	115
15	10	80c	6.7	So. Can. Pr.	50	12	12	12	12
109	103	6	5.5	Do. pref.	118	106	108½	106	108½
6½	2¾	.	...	St. Law. Corp.	3482	6	6	5½	5½
20	8½	.	...	Do. (A)	3722	18¾	19½	18	18
20	17	1	5.3	St. Law. Flour.	545	18	19	18	19
140	140	7	5	Do. pref.	....	(110 bid 130 asked)			
58½	24	.	...	St. Law. Pap. p.	1046	52½	53	49½	50½
8	3½	.	...	Stand. Chem.	....	(6 bid 9 asked)			
*14½	8	.	...	Stand. Clay	....	(3 bid 10 asked)			
4½	2	.	...	St. Pav. & Mat.	140	3½	3½	3	3½
28	12	.	...	Do. pref.	120	25	28	25	26½
42	40	3+75c▲	7	Stand. Steel, pf.	....	(— bid 44½ asked)			
17¾	16	60+20c	5	Stedman Bros.	....	(16 bid 17 asked)			
75½	56	1.75‡	5	Steel of Can.	2651	73	75½	73	74½
70	55	1.75	2.5	Do. pref.	904	65	70	68	69½
5	4	.	...	Sterling Coal	....	(4 bid 5 asked)			
.75	.10	.	...	Stop & Shop	210	.25	.25	.10	.25
10	10	80c	8	Stuart, D. A. pf.	....	(— bid 10 asked)			
2½	1½	.	...	Supersilk H. A.	....	(2½ bid 2½ asked)			
3½	2	.	...	Do. (B)	....	(— bid 3½ asked)			
79¾	70	5	6.7	Do. pref.	25	75	75	74	75
38	31	1+50c	4	Sup. Pete. ord.	200	36	37	37	37
36	30	1+50c	4.4	Do. com.	....	(36½ bid — asked)			
				T					
16	11	80c	6.5	Tamblyn	125	12	12½	12½	12½
52½	52	2.50	4.8	Do. pref.	....	(52¾ bid — asked)			
4	2	.	...	Thayers	....	(4 bid 5 asked)			
27	20	3.50	...	Do. pref.	....	(24 bid 39½ asked)			
.50	.25	.	...	Thrift Stores	....	(.10 bid — asked)			
2	1	.	...	Do. pref.	....	(1 bid — asked)			
13½	9	60+10c	7	Tip Top Tailors	214	10	12	10	12
108	100	7	6.7	Do. pref.	5	105	105	105	105
3	1	.	...	Tooke Bros.	....	(— bid 2½ asked)			
15	7½	.	...	Do. pref.	....	(6½ bid 7½ asked)			
18½	11	.	...	Tor. Elevators	50	16½	16	15½	15½
48	40	2.62½	6	Do. pref.	20	42	43	43	43
87	73	4	5.6	Tor. Gen. Tr.	....	(85 bid 90 asked)			
122	107	6	5.6	Toronto Mtge.	87	107	107	107	107
160	140	7	4.7	Tuckett Tob. p.	....	(150 bid 160 asked)			
4¾	3	.	...	Twin City	....	(— bid 10 asked)			
				U, V					
15½	10½	80c	5.7	Union Gas	1650	14	14	13½	13¾
17½	12½	30c	...	Un. Amuse. A.	....	(— bid 12½ asked)			
13	13	30c	...	Do. (B)	....	(— bid 9 asked)			
1.15	.80	5c	...	United Distill.	25	.80	.80	.80	.80
43	30	2▲	...	United Fuel, pf.	160	39	39½	39	39
18¾	6	.	...	United Secs.	95	7	8½	8½	8½
7	3	.	...	United Steel	4190	6	6	5½	5½
3	1½	.	...	Viau Bisc.	....	(2 bid 2¾ asked)			
50	45	5	10.9	Do. pref.	....	(45 bid 51 asked)			
				W, Y					
20	12	1+15c	9	Wabasso Cot.	....	(15¾ bid 18 asked)			
48	30½	4	8.4	Walker-Good.	6680	44½	48	44¾	47
19¾	17	1	5	Do. pref.	4322	19½	19¾	19½	19¾
2.15	1.10	10c	...	Walkerville Br.	255	1.70	1.70	1.60	1.60
2.50	1.00	.	...	Waterloo Mfg.	250	1.50	1.75	1.40	1.75
125	123½	7	5.6	W. Koot. Pr. pf	....	(120 bid — asked)			
5	2	.	...	West. C. Flour.	30	3½	3	3	3
37	22	.	...	Do. pref.	75	30	30	30	30
65	49½	3	6	West. Grocers	....	(— bid 62 asked)			
116	106½	7	6	Do. pref.	....	(105 bid 118 asked)			
13½	9	80c	6.3	Weston Ltd.	1870	12½	13	12½	12¾
90½	70	5	5.9	Do. pref.	....	(85½ bid 90 asked)			
4.00	.20	.	...	Windsor Hotel	....	(.10 bid — asked)			
8	5	.	...	Do. pref.	....	(3 bid — asked)			
3½	1½	.	...	Winnipeg El. A.	638	2½	2½	2½	2½
3	1½	.	...	Do. (B)	622	2	2½	2½	2½
17	7	.	...	Do. pref.	91	12	13½	11½	13½
93	65	7	...	Wood, A. & J. p	....	(65 bid 70 asked)			
50	30	.	...	Woods Mfg., pf.	66	45	32	30	30
4½	3½	.	...	York Knitting	1	4	4	4	4

* 1937. ▲ On account of arrears. b New York quotations. ‡ Plus extra of $2 paid Feb. 1, 1938. ● Initial. ° Stock bonus. † Interim.

Mining Stocks

Par Val.	Range 1938 High	Low	Company	Sales	Close Oct. 10 (or last)	High for week	Low for week	Close Oct. 17
			A					
1	.07	.01	Afton	142,100	.06½	.07	.05½	.06
No	.70	.28	Aldermac	364,759	.53	.69	.53	.67
1	.03½	.01	Alexandria	3,000	.01	.01	.01	.01
1	.33	.07	Amm. Gold	26,410	.15	.17	.14½	.15
No	4.15	2.60	Anglo-Huronian	2,625	3.10	3.40	3.25	3.35
No	.02½	.01	Arno		(.01 bid .02 asked)			
1	.33	.11	Arntfield	1,800	.17	.16	.15	.15
1	.14	.05	Ashley	13,100	.12	.12	.10	.10½
1	.06	.02	Astoria Quebec	5,300	.05½	.05	.03½	.04½
1	.44	.17	Augite Porc.	370,400	.29½	.41	.29	.33
50c.	.14	.05	Aztec		(.05 bid .12 asked)			
			B					
1	.27	.12	Bagamac	7,000	.17	.16	.13	.14½
1	1.03	.32	Bankfield	26,700	.45	.45	.36	.36
1	.45	.20	Base Metals	37,250	.35½	.41	.35	.39
No	1.45	.95	Beattie Gold	7,650	1.20	1.26	1.19	1.25
1	.36	.16	Bear Exploration	65,200	.28½	.33	.25	.26
1	.32	.10	Beaufor	300	.18	.16½	.16½	.16½
1	.50	.20	Bidgood Kirk	18,600	.31½	.31	.28½	.29
1	.58	.20	Big Missouri	3,810	.34	.38	.30	.33½
1	.22½	.07	Bobjo	273,650	.14	.22½	.14	.18½
1	.13½	.05½	Bouscadillac G.M.	13,200	.08½	.10	.08	.09
No	10.25	7.75	Bralorne	7,300	9.25	9.35	9.15	9.35
1	.08	.03	Brazil Gold		(.05 bid .08 asked)			
1	.12	.01½	Brett Trethewey	5,000	.02½	.02½	.02	.02
1	.54	.53	Broulan Porc.	3,200		.54	.53	.53
1	.10	.02½	Brownlee	1,200	.05	.03½	.03½	.03½
1	17.50	10.87	Buffalo Ankerite	2,270	15.00	15.00	14.50	14.50
No	.06½	.01½	Buffalo Can.	16,889	.02½	.02½	.02	.02½
5	30.25	24.25	Bulolo Gold	1,351	26.50	26.63	25.25	26.00
No	.22	.07½	Bunker Hill	4,300	.11	.11	.10	.10
			C					
No	1.28	.65	Can. Malartic	14,183	.84	.84	.79	.84
1	.09½	.02	Capital-Rouyn	33,000	.03½	.03½	.02½	.02½
1	2.60	1.65	Cariboo Gold	100	2.25	2.40	2.40	2.40
1	.15	.05	Cartier Malartic	4,000	.08	.08	.06½	.06½
1	1.19	.53	Castle Trethewey	4,087	1.10	1.10	1.01	1.01
1	.62	.18	Cen. Cadillac	6,800	.27	.26	.25	.25
1	3.20	1.85	Cen. Patricia	10,260	2.55	2.58	2.45	2.50
1	.15	.05½	Cen. Porcupine	6,238	.08½	.09	.07	.08
1	1.73	.63	Chesterville	65,900	1.24	1.32	1.18	1.23
No	.82	.35	Chromium	5,250	.65	.68	.63	.63
5	4.00	1.25	Coast Copper	1,170	2.75	3.55	3.10	3.55
5	2.25	1.25	Coniagas	100	1.30	1.60	1.60	1.60
No	1.84	1.00	Coniaurum	2,225	1.30	1.40	1.30	1.35
1	.42	.19	Con. Chibougamau	7,340	.28	.30	.25	.28
25	66.25	45.37	Cons. Smelters	17,832	60.50	66.25	60.25	65.25
			D, E					
1	.23½	.05	Darkwater	3,900	.06½	.07	.07	.07
1	.46	.10	Denison Nickel	104,520	.20	.24½	.17½	.22
No	35.00	27.50	Dome Mines	7,533	33.12	33.87	32.25	33.00
1	.07	.02½	Dom. Explorers	500	.04	.04	.04	.04
1	.26	.05	Dorval Siscoe	161,500	.10	.12	.10	.11½
1	.07	.03	Duparquet	38,000	.04	.05	.04½	.05
1	2.39	1.05	East Malartic	40,050	2.24	2.25	2.07	2.18
1	3.25	1.38	Eldorado	65,832	2.23	2.35	2.15	2.27
			F, G					
No	6.95	4.25	Falconbridge	8,095	5.50	6.75	5.70	6.55
1	.14	.03½	Federal	38,850	.07½	.08½	.07½	.08
1	.26	.13	Faulkenham L.	15,900	.18	.19	.17	.17
1	.30	.08	Fernland	101,800	.19	.25½	.18	.18
1	.20	.03	Fontana	3,000	.04	.03½	.03½	.03½
No	.53½	.20	Francoeur Gold	10,600	.25	.27	.25	.24½
1	.32	.07	Gillies Lake	68,100	.13½	.13½	.12	.12
1	.05	.02	Glenora	10,500	.02½	.03½	.02½	.02½
No	.68	.30	God's Lake	30,196	.42	.45	.39	.44
1	.40½	.14	Goldale	10,700	.24	.25	.23½	.24
50c.	.50	.30	Gold Belt	200	.50	.49	.49	.49
1	.40	.09	Gold Eagle	8,800	.12	.18	.11	.12
1	.12	.03	Goodfish	5,600	.03½	.03½	.03½	.03½
1	.09½	.02½	Graham Bosquet	4,500	.03	.05½	.04½	.04½
1	.14	.04	Granada Gold	16,150	.12	.11½	.09	.09½
No	.11	.04½	Grandora	16,000	.06	.06½	.06	.06½
1	.10	.02½	Grull Wihksne	12,000	.04½	.03½	.03	.03
1	1.09	.48	Gunnar Gold	3,950	.66	.66	.60	.63
			H, I, J					
1	.04½	.02	Halcrow Swayze	500	.03	.03	.03	.03
1	2.93	1.10	Hard Rock	25,615	2.24	2.20	2.02	2.02
1	.17	.07	Harker	11,200	.09½	.10	.09½	.09½
1	1.40	1.00	Hedley Mascot	500	1.10	1.20	1.15	1.20
5	15.50	11.00	Hollinger	6,859	15.00	15.00	14.87	15.12
1	.33	.20	Howey Gold	9,960	.28	.28	.26	.28
No	34.50	20.50	Hudson Bay	9,402	31.75	34.50	31.75	33.75
1	.49	.21	Inspiration	5,900	.35	.35	.35	.35
1	11.70	7.00	Inter. Mining		(9.12 Oct. 3)			
No	57.00	37.00	Int. Nickel	31,036	54.75	57.00	53.75	55.50
1	.40	.10	Jacola	5,266	.16	.18	.15	.15
1	.60	.23	Jack Waite	35,300	.30	.45	.40	.42
1	.82	.20	Jellicoe	142,880	.30	.32	.23½	.25½
1	.17	.05	J. M. Cons. Gold	10,428	.09½	.10	.09½	.09½
			K, L					
1	2.50	1.25	Kerr Addison	33,696	2.05	2.05	1.87	1.96
1	1.00	.35	Kerr Lake	400	.45	.50	.50	.50
1	.28	.06	Kirk. Gold Rand.	2,650	.15	.15	.12	.15
1	1.50	.26	Kirk. Hud. Bay		(.47½ bid .65 asked)			
1	1.50	.88	Kirkland Lake	53,630	1.27	1.34	1.25	1.27
1	.23	.09	Kirk. Townsite	4,000	.11½	.12	.11	.11½
1	.59	.15	Laguna	36,300	.22	.21	.15	.16
1	58.75	44.75	Lake Shore	5,795	49.50	51.37	49.50	50.25
1	.05	.02	Lamaque Contact	10,000	.03½	.03	.03	.03
1	.74	.24	Lapa Cadillac	44,800	.40	.39½	.35	.38
1	1.13	.80	Lava Cap	1,200	.98	.97	.85	.85
1	.15	.04	Lebel Oro	159,700	.08	.12	.07	.11½
1	.03½	.01	Lee Gold	500	.02	.01½	.01½	.01½
1	1.12	.50	Leitch Gold	28,170	.79	.80	.75	.76
No	6.00	2.10	Little Long Lac	5,545	3.15	3.20	3.05	3.05
			M					
1	5.55	3.50	Macassa	19,309	4.90	5.55	5.00	5.15
No	4.45	1.30	MacLeod Cockshutt	18,310	3.75	3.75	3.40	3.45
1	.57	.25	Madsen Red Lake	13,400	.47	.50	.46	.46
1	.55	.23	Malartic Gold	17,000	.48	.48	.44	.44
1	.02	.00¾	Malrobic	16,500	.01	.01½	.01½	.01½
No	.24	.10	Mandy	19,400	.18	.28	.18	.25½
No	.04	.01½	Man. & Eastern	25,800	.01½	.02	.01½	.01½
1	.19½	.07½	Maralgo	7,125	.09½	.10	.09	.09
5	49.63	35.50	McIntyre	6,903	48.25	49.63	48.00	49.50
1	1.29	.69	McKenzie R. L.	12,770	1.20	1.24	1.16	1.18
No	.86	.30	McWatters	18,850	.77	.74	.65	.68
1	.24	.09	McVittie	9,700	.12	.14½	.12	.13½
5	.70	.30	Mentor Exploration		(.45 bid .75 asked)			
No	2.49	1.45	Mining Corp.	40,257	2.10	2.39	2.10	2.28
No	.04½	.02½	Minto Mines	2,000	.02½	.04	.04	.04
1	.03	.01	Moffatt Hall		(.01½ June 7)			
1	2.56	1.00	Moneta	14,845	1.50	1.50	1.33	1.35
1	.20	.05	Montague	1,100	.06	.06	.05	.05
1	.19	.04	Morris Kirk	1,435	.05	.10	.07	.07
1	.03½	.01½	Murphy	7,500	.02½	.02½	.02	.02
			N, O					
1	.79	.13½	Naybob	95,800	.52	.52	.43	.46
No	.11½	.02	Newbec	31,800	.04½	.06½	.05½	.06½
1	.38	.10	New Golden Rose	2,200	.21	.20	.15	.20
5	2.15	1.40	Nipissing	1,100	1.75	1.75	1.55	1.60
No	80.00	48.00	Noranda	20,724	78.50	80.00	77.87	78.00
No	.40	.23	Nor. Canada	1,140	.35	.40	.36	.38
1	8.95	7.00	North Empire		(8.00 bid 8.80 asked)			
1	.07½	.02	Norgold	5,000	.03½	.05½	.04	.04½
1	1.14	.45	Normetal	22,380	.81	.91	.80	.85
1	5.45	2.10	O'Brien	9,575	3.15	3.15	2.95	3.00
1	.72	.30	Omega	43,668	.68	.68	.62	.63
1	1.45	.31	Oro Plata	10,740	.50	.55	.40	.40
1	.16	.05	Osisko	900	.07	.10	.08	.08
			P					
No	4.70	2.90	Pamour	15,975	4.50	4.60	4.40	4.40
1	.63	.14	Pandora	91,000	.20	.24½	.19	.24
1	2.70	1.55	Pato Cons. G.		(2.25 bid 2.35 asked)			
1	.24½	.06½	Partanen Mal.	4,000	.09½	.09½	.08½	.09
1	.22	.04	Paulore	1,000	.06	.05½	.05½	.05½
1	.02	.01	Pawnee Kirk	500	.01	.01½	.01	.01½
1	.69	.38	Paymaster	68,823	.65	.65	.59	.60
1	.23	.08	Payore	18,100	.12½	.14	.11	.11½
1	2.65	1.30	Pend Oreille	43,935	2.10	2.38	2.10	2.32
1	1.77	.98	Perron Gold	5,380	1.40	1.40	1.35	1.39
1	.01½	.00½	Peterson Cobalt		(.00½ bid .01½ asked)			
1	5.30	3.80	Pickle Crow	7,185	5.25	5.25	5.00	5.15
1	3.30	2.20	Pioneer Gold B.C.	3,450	2.82	2.90	2.75	2.75
1	17.25	13.25	Placer Devel.	555	14.50	16.00	15.00	15.00
1	2.65	1.37	Powell Rouyn	20,425	2.42	2.42	2.27	2.30
1	2.52	1.75	Premier Gold	3,200	2.27	2.34	2.25	2.28
1	1.98	.67	Preston E. Dome	56,218	1.50	1.49	1.35	1.35
No	.98	.50	Prospectors Air's		(.55 bid ... asked)			
			Q, R					
1	.70	.35	Quebec Gold	2,600	.53	.60	.57	.60
No	.15	.04	Quemont		(.12 bid .20 asked)			
1	4.55	2.50	Read Authier	17,750	3.40	3.65	3.35	3.55
1	.45	.05	Red Crest	1,500	.11	.08	.07	.07
1	.65	.30	Reno Gold	5,750	.37	.39	.36	.39
1	.55	.25	Reeves McD.	700	.25	.46	.43	.43
1	.07	.03½	Reward	15,800	.04½	.05	.04½	.04½
1	.03	.01½	Ritchie	1,100	.02½	.02½	.01½	.02½
1	.02½	.01	Robb Montbray	3,000	.01½	.01½	.01	.01½
1	.24	.06	Roche Long Lac	4,200	.09	.10	.09	.09
			S					
1	1.55	1.00	San Antonio	5,542	1.30	1.40	1.28	1.38
1	.25	.13½	Sand River	8,700	.20	.21	.18	.18
1	.34	.03½	Shawkey	10,000	.05	.05	.04½	.04½
50c.	1.21	.75	Sheep Creek	1,900	.90	.89	.85	.85
1	1.90	.90	Sherritt Gordon	327,795	1.44	1.90	1.42	1.78
1	3.40	1.40	Siscoe	34,454	1.65	1.70	1.60	1.64
1	1.39	.49	Sladen Malartic	22,160	.77	.75½	.60	.65
1	.24	.06	Slave Lake	2,200	.10	.08	.07	.07
No	.78	.28	Stadacona	87,298	.44	.50	.42	.48
1	.20	.07½	St. Anthony	3,000	.10½	.12	.09½	.12
No	.15½	.05	Straw Lake	50,600	.12	.12	.09½	.10
No	3.80	1.65	Sudbury Basin	7,905	2.70	3.20	2.90	3.10
1	.19	.08½	Sudbury Contact	22,800	.11	.11½	.09½	.09½
1	1.25	.65	Sullivan Cons.	6,410	1.00	1.00	.95	.98
1	3.60	2.50	Sylvanite	3,300	3.30	3.35	3.10	3.10
			T, U, V, W, Y					
1	5.70	4.15	Teck Hughes	14,351	5.00	5.00	4.85	4.90
1	.25	.06	Temiskaming	600	.10	.09½	.09	.09½
1	.38	.17	Thomp Cadillac	202,570	.29	.42	.27	.37
1	2.90	1.50	Toburn Gold	705	2.20	2.20	2.15	2.15
1	.67	.25	Towagmac	14,967	.40	.54	.38	.50
1	2.45	.90	Uchi Gold	34,749	1.73	1.70	1.47	1.53
No	7.40	3.95	Ventures	9,097	5.20	6.00	5.25	5.85
No	8.50	1.02	Waite Amulet	117,179	7.20	8.00	6.90	7.70
1	.20	.08	Wendigo	3,600	.13	.13	.11½	.11½
No	.03½	.00½	White Eagle	1,000	.00½	.01	.01	.01
1	.08	.02	Whitewater Mines	22,600	.04½	.06½	.05	.06½
1	.18	.03	Wiltsey Coughlan	34,200	.09½	.08½	.08	.09½
1	.43	.13	Wood Cadillac	32,350	.22	.21	.19	.20
No	8.20	6.50	Wright-Hargreaves	14,535	7.55	7.80	7.40	7.75
No	.30	.09	Ymir Girl	1,800	.11½	.12	.11	.12

Oil Quotations

Par Val.	Range 1938 High	Low	Company	Sales	Close Oct. 10 (or last)	High for week	Low for week	Close Oct. 17
No	.12	.06	Acme Gas & Oil	6,000	.09½	.09	.07½	.08½
1	.37	.12½	Alta. Pac. Cons.	600	.15	.18	.17	.18
1	.32	.13	Ajax	600	.20	.20	.20	.20
No	1.65	.95	Anglo Canadian	2,850	1.29	1.30	1.25	1.25
1	.15	.06	Anaconda		(.06 bid ... asked)			
1	.16	.05	Br. Dominion		(.07 bid .08 asked)			
No	.68½	.20	Brown Oil	29,650	.38	.37½	.30	.32
100	72.00	46.00	Do., pref.	65	70.00	70.00	65.00	70.00
No	3.10	1.55	Calgary & Ed.	28,546	2.30	2.49	2.25	2.25
1	.62	.19½	Calmont	16,250	.28	.35	.31	.33
No	.85	.50	Commoil	3,950	.60	.60	.56	.60
No	.43	.19	Common Pete	3,900	.28	.28	.25	.25
No	.70	.35	Dalhousie	4,675	.47	.52	.40	.45
No	.73	.20	Davies Pete	25,000	.36	.40	.33	.33
No	.15	.05	East Crest	2,900	.09	.08½	.08	.08½
25c	.25	.11	Firestone Pete	1,000	.13	.12	.12	.12
No	.90	.30	Foothills	940	.60	.60	.50	.60
No	.22	.08	Foundation Pete	7,900	.16	.16	.13	.15
No	.35	.14	Hargal	600	.25	.24	.20	.24
No	.20	.05	High Sarcee	2,300	.13	.12	.11	.11
No	1.47	.80	Home	8,229	1.20	1.23	1.06	1.08
1	.37	.14	Homestead O.&G.	11,000	.19	.24	.18	.22
No	.27	.10	McD. Segur		(.14½ bid .15½ asked)			
No	.08	.04	Merland	1,900	.06	.06	.05	.06
1	.38	.18	Model	1,000	.20	.22	.22	.22
25c	.20	.10	Monarch Royalties	6,500	.11½	.12	.11½	.12
1	.20	.04	Nordon	1,700	.10½	.10	.09	.10
No	.04½	.02	Oil Selections		(.02½ bid .03½ asked)			
No	2.30	.85	Okalta	8,700	1.35	1.39	1.18	1.19
No	.05½	.02	Olga Gas & Oil	25,800	.04	.04	.03	.03
1	.17	.04½	Pacalta	2,200	.06½	.07	.06	.07
1	.50	.30	Petrol Oil & Gas	140	.45	.50	.30	.50
25c	.52	.20½	Prairie Royalties	5,100	.28x	.26	.24	.24
No	49.00	32.50	Royalite	2,425	45.00	45.50	44.00	44.00
No	.75	.25	South West Pete	700	.40	.40	.40	.40
No	.10	.02	South End	1,000	.02	.03	.03	.03
1	.14	.14	Spooner		(.07 bid ... asked)			
25c	.25	.04	Spy Hill Royalties		(.03 bid .04 asked)			
No	1.68	1.05	Texas Can.	5,098	1.46	1.46	1.34	1.35
No	.26	.09	United Oils	3,200	.13	.13½	.13	.13
No	1.25	.47	Vulcan	1,550	.65	.85	.75	.75
No	.34	.05	West Flank	6,500	.07	.09½	.08	.08
50c	.15	.07	West Turner Pete	26,700	.10	.11	.09½	.09½

Vancouver Stock Exchange

Par Val.	Range 1938 High	Low	Company	Sales	Close Oct. 10 (or last)	High for week	Low for week	Close Oct. 17
50c	.14	.05	Aztec	1,300	.05	.05	.05	.05
1	.58	.23	Big Missouri	4,000	.33	.35	.34½	.35
25c	.02½	.01½	Bluebird	......	(.01½ bid ... asked)			
No	10.10	7.75	Bralorne	2,530	9.20	9.25	9.10	9.25
1	.04½	.01	Bridge River Cons.	......	(.01½ bid ... asked)			
1	2.60	1.68	Cariboo Gold	1,920	2.36	2.45	2.40	2.45
No	.13	.03	Dentonia	5,000	.04	.04	.03½	.03½
1	.09	.01	Dunwell	1,000	.01	.01½	.01½	.01½
No	.10½	.02	Fairview Amal.	5,522	.05½	.05½	.05	.05½
1	.02½	.01	Federal Gold	......	(.01½ bid .02 asked)			
1	.50	.25	George Copper	400	.25	.40	.33	.40
50c	.03½	.02	George Enterprise	......	(.03 Sept. 13)			
1	.10	.03½	Golconda	9,600	.06	.08	.07	.07½
50c	.49	.29	Gold Belt	4,700	.48½	.48	.46	.48
50c	.06½	.01	Gold Mountain	......	(.01½ bid .01½ asked)			
50c	.12	.04	Grand View	12,400	.08½	.11	.09	.10½
1	.11	.01½	Grull Wihksne	11,500	.03½	.03½	.02½	.02½
1	1.30	1.00	Hedley Mascot	4,050	1.16	1.18	1.14	1.17
No	.05½	.00½	Hedley Sterling	......	(.00½ bid ... asked)			
No	.02	.00½	Home Gold	......	(.00½ bid ... asked)			
1	.02½	.01½	Indian Mines	......	(.02 bid ... asked)			
50c	1.40	.72	Island Mountain	3,900	1.35	1.40	1.35	1.40
1	.28	.20	Inter'tl Coal	......	(.28 Sept. 15)			
50c	1.45	.91	Kootenay Belle	1,500	1.40	1.40	1.35	1.38
10c	.04½	.01½	Lucky Jim	192,000	.02½	.03½	.02½	.03
No	.02½	.01	Mak Siccar	......	(.01 bid ... asked)			
5c	.80	.52	Metaline Metals	400	.60	.80	.80	.80
1	.23	.19	McGillivray Creek	2,000	.21	.23	.23	.23
No	.05½	.02	Minto Mines	3,000	.04	.03½	.03½	.03½
50c	.08	.02	Nicola	6,500	.03	.03½	.03½	.03½
50c	.05	.02	Noble Five	15,800	.03½	.04½	.03½	.04½
....	.34	.30	Pacific Nickel	1,200		.34	.30	.34
1	2.50	1.32	Pend Oreille	3,150	2.15	2.40	2.15	2.34
No	.02½	.01	Pilot Gold	......	(.01 Aug. 25)			
1	3.35	2.25	Pioneer Gold	1,300	2.90	2.76	2.75	2.75
50c	.04	.02½	Porter Idaho	10,500	.03	.04	.03	.04
No	.02½	.00½	Premier Border	5,000	.01	.01	.01	.01
1	2.83	1.81	Premier Gold	6,886	2.31	2.31	2.26	2.30
1	.14½	.02½	Quatsino Copper	13,000	.03	.05	.04	.05
25c	.11½	.04½	Quesnelle Quartz	9,300	.09½	.09	.04½	.09
50c	.07	.04	Red Hawk	......	(.04 June 28)			
1	.25	.10	Relief Arlington	1,300	.19	.15½	.15	.15
No	.56	.24	Reeves McDonald	5,900	.31	.44	.35	.44
1	.68	.31	Reno Gold	600	.38	.38	.38	.38
1	.06½	.03½	Reward Mining	9,000	.04½	.05	.04½	.04½
1	.03½	.01	Rufus Argenta	......	(.01 bid ... asked)			
1	.03	.01	Ruth Hope	......	(.02 Aug. 18)			
1	.08	.02	Sally Mines	......	(.04 bid ... asked)			
50c	.16½	.05	Salmon Gold	2,600	.09½	.09	.08½	.09
50c	1.20	.80	Sheep Creek	1,700	.85	.87½	.85	.86½
1	2.20	1.50	Silbak Premier	1,539	1.83	2.00	1.85	1.85
No	.04½	.01	Silvercrest	5,000	.01	.01	.01	.01
1	.17	.12	Sunloch	......	(.15 Sept. 13)			
No	.20	.11	Surf Inlet	1,500	.16	.18	.14	.15
1	.22	.21	Standard Silver	......	(.22 Apr. 1)			
10	12.65	11.95	Sunshine	......	(11.75 Apr. 13)			
No	.05½	.02½	Taylor Bridge	......	(.03 Sept. 9)			
No	.21	.06	Vidette Gold	3,000	.06	.06½	.06	.06
50c	.01	.00½	Waverley Tangier	11,000	.00½	.00½	.00½	.00½
20c	.03½	.01½	Wellington	19,000	.01½	.02½	.02	.02½
50c	.10½	.01	Wesko	19,000	.01½	.01½	.01	.01½
1	.02	.02	White Eagle	......	(.02 Mar. 16)			
1	.08½	.02	Whitewater	110,100	.04½	.07½	.04½	.06½
No	.29	.08	Ymir Yankee Girl	......	(.11 bid .14 asked)			

Oil Stocks

Par Val.	Range 1938 High	Low	Company	Sales	Close Oct. 10 (or last)	High for week	Low for week	Close Oct. 17
1	.35½	.11	Alta. Pac. Cons.	5,030	.19	.19½	.19	.19
1	.08	.00½	Amalgamated	3,000	.07	.01	.01	.01
No	1.58	1.00	Anglo C. Develop	2,350	1.25	1.30	1.26	1.28
1	.14	.04½	Anaconda	......	(.06½ bid .07½ asked)			
No	.08	.04	Associated Oil	......	(.04 July 23)			
No	.06	.02	Baltic	1,000	.03	.02	.02	.02
1	.14	.06	Brit. Dominion	......	(... bid .08 asked)			
No	.58	.21	Brown Oil	2,100	.38	.35	.30	.30
No	3.15	1.60	Calgary & Ed.	7,084	2.30	2.45	2.22	2.25
1	.63	.20	Calmont	13,820	.29	.35	.30	.33½
1	.43½	.19½	Commonwealth	4,900	.26½	.29½	.26	.25
1	.06½	.01	Crow's Nest	......	(.00½ bid .01 asked)			
No	.70	.40	Dalhousie	545	.40	.45	.45	.45
No	.66	.21	Davies Pete	3,500	.35	.35	.33	.33
No	.15	.07	East Crest	......	(.08 bid .09 asked)			
25c	.23	.11	Firestone	3,500	.13	.12½	.12	.12
No	.08½	.03½	Freehold	25,100	.04½	.04½	.04	.04
No	.23	.11	Foundation Pete	......	(... bid .15½ asked)			
No	.21	.12	Four Star	......	(.10 bid .14 asked)			
No	.38	.14	Hargal	2,750	.27	.30	.27	.30
No	.20	.09	High Sarcee	1,000	.09	.10	.10	.10
No	1.46	.85	Home Oil	900	1.20	1.15	1.10	1.10
No	.09	.02½	Madison	7,000	.04½	.04½	.04½	.04½
No	.10½	.05½	Marjon Oil	17,000	.09	.09	.07	.08
No	.28½	.10½	McD. Segur Ex.	3,000	.15½	.15	.13½	.13½
1	.30	.15	McLeod	......	(.12 bid ... asked)			
No	.19	.06	Mercury	8,700	.08½	.09½	.06	.06
No	.08	.03	Merland	......	(.05 Sept. 1)			
No	.12	.05	Mill City Pete	1,000	.05	.05	.05	.05
No	.03	.02½	Midwest Pete	......	(.03 June 10)			
1	.42	.18	Model	1,900	.22	.22	.22	.22
25c	.19	.09½	Monarch Royal	......	(.10½ bid .12 asked)			
25c	.08	.08	National Pete	500	.08	.08	.08	.08
1	.19	.07	Nordon	100	.09	.10	.10	.10
No	2.25	.90	Okalta	8,600	1.36	1.37	1.18	1.18
100	37.50	27.00	Do. pref.	......	(34.00 Aug. 19)			
No	.17	.04	Pacalta Oil	......	(... bid .08 asked)			
25c	.51½	.21	Prairie Royal	4,500	.26½	.27	.25	.25
No	48.00	34.00	Royalite	7	45.00	43.00	42.50	42.50
No	.16	.09	Royal Canadian	36,100	.14½	.16	.14½	.14½
No	.65	.30	Southwest Pete	600	.30	.40	.40	.40
1	.20	.09	Spooner	......	(.09 Sept. 8)			
25c	.08	.03	Spy Hill Rlty.	1,200	.03½	.03	.03	.03
25c	.43	.37	Sunset Oils	300	.42	.37	.37	.37
No	.25	.08½	United	2,520	.13½	.13½	.12	.12
No	.09½	.04½	Vanalta	4,100	.05½	.08	.06	.06½
1	1.31	.58	Vulcan	3,400	.70	.80	.69	.69
No	.34	.05	West Flank	......	(.05 Sept. 24)			

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Oct. 18, 1938

	Int. Rate %	Due	Bid Oct. 18	Asked	Bid Oct. 11
Public Utility Issues:					
†Assoc. Tel. & T.	5½	'55	77	80	76
Beauharnois P.	5	'73	96½	99½	95½
B. C. Power	4½	'60	100	103	100
B. C. Telephone	4½	'61	106	109	105½
†Calgary Power	5	'60	100½	103½	100½
Do.	5	'64	99½	102½	99
†Can. Nor. Pwr.	5	'53	103½	106½	103½
‡Dom. Gas & El.	6½	'45	87½	90½	87
‡Gatineau Pwr.	5	'56	104	107	104
Gt. Lakes Pwr.	4½	'56	97½	100½	97
‡Inter. Hydro-E.	6	'44	78	81	78
▲Inter. Power	6	'55	100½	103½	100½
†Macl'n-Que. Pr.	5½	'61	102½	105½	102½
Do.	5½	'61	102½	105½	102½
Mtl. L., H. & P.	3½	'56	101	104	100½
Do.	3½	'73	96½	99½	96½
†Mtl. Tramways	5	'41	97½	100½	98
†Do.	5	'55	73	76	74
Nat. Lt. & Pwr.	6	'49	95	98	93
N. S. Lt. & Pr.	4	'57	99½	...	99½
†Ottawa Light Heat & Pwr.	4	'57	100½	...	100
†Ottawa V. Pwr.	5½	'70	105½	108½	105½
†Power Corp.	4½	'59	101½	104½	100½
Quebec Power.	4	'62	97	100	97
§Saguenay Pr., A	4½	'66	103½	106½	103½
Do., B	4½	'66	103	106	103
Shaw. W. & Pr.	4	'61	100½	103½	100
Union Gas	4½	'50	100½	...	100
Wpg. El. Ser. A	4	'65	63½	66½	64
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	67½	70½	70
Acadia Sugar	4½	'35	101	104	101
†Alta. Pa. Grain	6	'46	89½	92½	89½
Atlantic Sugar.	4	'51	99	102	99
B. A. Oil	4	'45	103	...	102½
†B. C. P. & Pap.	6	'50	84	87	83
§Brown Co.	5½	'46	57½	60½	59½
†Burns & Co.	5	'58	58	61	57½
Canada Bread	6	'41	107½	...	107½
Canada Cement	4½	'51	102½	105½	102
Canada Paper	4½	'52	98½	101½	98
Can. Steamship	5	'57	82½	85½	82½
Candn. Canners	4	'51	96½	102½	99½
‡Can. Int. Paper	6	'49	98½	101½	98
‡Candn. Vickers	6	'47	95½	98½	95½
C. P. R.	3½	'51	89½	92½	88½
Do.	4	'49	92½	95½	91½
Do.	4½	'44	95	98	95
Do.	6	'42	103	106	102½
Do., debs.	4 perp.		82	85	81
†Consol. Paper	5½	'61	53½	56½	54
Dom. Coal	4½	'51	102½	105½	102
▲Dom. Stl. & C.	6½	'55	102	105	102
Dom. Tar	4½	'51	100½	...	99½
†Donnacona P.	4½	'56	77	80	73½
Famous Players	4½	'51	97½	100½	97
†Federal Grain	6	'49	93	97	94
†Fraser Cos.	6	'50	100	103	98½
Gen. Stl. Wares	4½	'52	96	99	95½
‡Great Lakes P.	5	'55	89	92	90
‡Gypsum, Lime.	5½	'48	98½	101½	97½
Ham. By-Pr. C.	[illegible]	'55	100	99	...
Inter-City Bak.	5½	'48	102	102	...
‡Inter. P. & P. Nfld.	4½	'68	99½	102½	99½
Lake St. John P. & P.	5½	'61	90½	93½	91½
Maple Leaf M.	5½	'49	43	...	...
†Massey-Harris	5	'47	99½	102½	99
†McColl-Fron.	4½	'49	98	101	98
McCormick's	4	'52	84	87	81½
‡M. & O. Paper	6	'45	38	41	39½
Nat. Grocers	4	'47	100	...	100
†N.S. Stl. & C.	3½	'63	76	79	76½
Price Bros.	5	'57	95½	98½	96
‡Prov. Paper	5½	'47	101	...	101
†Restigouche Co.	6	'48	96½	99½	96½
Rolland Paper.	4½	'51	102	105	102
Simpsons Ltd.	4½	'51	98	101	97
Smith, Howard	4½	'51	102	105	102
†Steel of Can.	6	'40	108	...	108
‡United Gas	5½	'48	102	105	102
United Gr. Grs.	5	'48	90	93	89½
†Western Gr.	6	'49	35	40	35

‡ Payable in Canada or U.S.
† Payable in Can., U.S. or U.K.
▲ Payable in Can. or U.K.
§ Payable in U.S. only.

Winnipeg Stocks

(Transactions from Oct. 9 to Oct. 15)

	Sales	High for period	Low for period	Close Oct. 15
Berens River	41	.80	.75	.80
Beaver Fire	17	85.00	85.00	85.00
Central Man.	500	.04½	.04½	.04½
Dom. Envel., p.	20	93.75	93.50	93.75
Flin Flon	5,600	.04	.03½	.04
Gurney Gold	11,050	.18	.13	.17
Gt. Falls M.	500	.06	.06	.06
Ore Grande	5,000	.02¾	.02½	.02¾
Shcnango	100	.38½	.38½	.38½
Sachigo R.	124	19.75	18.25	18.25
Star Lake	25,000	.01½	.01	.01
Sunbeam K.	200	.35	.35	.35
United Grain	6	6.50	6.00	6.00
West. Steel	46	9.00	8.00	9.00
Wingold	2,000	.04	.03½	.03½

Stocks Not Traded in During Week*

	Bid	Asked
Can. Indemnity	125	...
Can. Airways	...	3½
Cres. Cream., pf.	...	12
Home Investment	...	20
Nor. Mtge., part pd.	2	...
Nor. Can. Mtge., p.	3	...
Traders Bldg.	81	...
Western Brew.	1½	2¼

*Stocks more active on other exchanges not included.

Municipal Bonds

Oct. 18, 1938

†Halifax	5	1961	112.50	114.00	4.06
Hamilton	5	1950	108.65	110.15	3.90
Montreal	5	1945	104.00	105.50	4.01
Ottawa	4½	1945	108.50	110.00	2.85
†Quebec	5	1959	105.50	107.00	4.48
Saint John	5	1950	106.50	108.00	4.17
†Toronto	4½	1955	112.50	114.50	3.35
†Vancouver	5	1950	87.00	90.00	6.23
Winnipeg	5	1944	97.00	100.00	5.00

†Payable Can. and N.Y.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Oct. 18, 1938

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, pfd.	4.50	5.00
Acme Farmers Dairy, pfd.	15.00	17.00
Algoma Steel Corp., com.	11.00	12.00
Do., pfd.	58.00	60.00
Andian Nat.	40.50	42.00
Anglo Can. Tel 'A'	8.50	9.25
Barrymore Cloth, pfd.	17.00	20.00
B. C. Pulp & Paper	15.50	17.50
Do, pfd.	50.00	....
Burns & Co., A	5.00	6.50
Do., B	2.00	2.50
Can. Airways	1.25	2.00
Can. Goodrich, com.	1.00	....
Can. Industries, A com.	228.00	....
Can. Ingersoll Rand	121.00	127.00
Can. Tube & Steel, com.	3.00	5.00
Do. 1st pfd.	58.00	64.00
Chase, A. W., pfd. bonus	25.50	27.00
Claude Neon, pfd.	5.00	6.00
Cons. Sales Book, pfd. bon.	80.00	....
Copeland Flour Units	5.00	6.50
Corrugated Paper Box, com.	1.25	2.50
Do., rts.	....	[illegible]
Dom. Manufacturers, com.	3.25	5.00
Do., pfd.	60.00	65.00
Dom. Woollens pfd.	.70	1.00
Dunlop T. 5% pf. par $25	19.25	20.50
Easy Washing, pfd.	8.75	10.00
Federal Grain	1.75	2.25
Do., pfd.	25.00	28.00
Goderich Elevator	6.30	7.00
Guelph Carpet, pfd.	104.00	105.50
Do., com.	17.00	18.50
Hayes Steel Prod., com.	7.50	8.50
Do., pfd.	8.25	9.00
Highland Dairy, pfd.	41.50	47.00
Kingston Shipb'lding Units	9.75	10.50
Loblaw Inc., pfd. bonus	72.00	75.00
Morrison Brass, pfd.	5.50	6.75
Morrow Screw, pfd. bonus	93.00	98.00
Neilson, Wm., com.	6.00	8.00
Do., pfd.	97.00	....
New Brunswick Tel., com.	12.25	13.00
New M. Laund. pf. bonus	50.50	55.00
Niagara L. Arch Bridge c.	68.50	....
Paterson, Wm., pref.	100.00	103.00
Provincial Paper, pfd.	102.50	104.00
Reliance Grain, pfd.	47.00	51.00
Rob. Cons. Cone	8.00	9.00
Ruddy, E. L., pfd.	25.50	28.00
Seal-O-Sac. (Can.)	4.50	5.50
Standard Fuel, com.	2.00	3.75
Do., pfd.	57.00	60.00
Stedman Bros., pfd. par $50	54.00	56.00
Supertest Pete., B pfd.	27.00	29.00
Toronto Carpet, com.	28.50	32.00
Do., pfd.	55.00	60.00
United Farmers Co-op.	2.50	3.00
United Steel, A pfd.	19.00	21.00
Viceroy Mfg., pfd. & rts.	22.00	24.00
Western Grain, pfd. bonus	5.50	7.00
Western Steel Prod., com.	9.00	10.00
Weston (Geo.) Foods (Eng.)	4.00	....
Willards Choc., pfd.	40.00	....
Trust & Loan Stocks:		
British Mortgage	141.00	143.00
Commercial Finance com.	2.75	3.00
Guelph & Ont. Inv., par $50	52.00	55.00
London & West. Trust	36.00	....
Premier Trust	....	110.00
Sherbrooke Trust	120.00	....
Sterling Trust	43.00	48.00
Traders Fin., A com.	12.50	14.00
Do., A pfd.	79.50	82.00
Do., A, 6% pfd. W.R.	90.00	94.00
Do., B, 7% pfd. W.R.	91.00	93.00
Trusts & Guarantee	25.00	28.50
Insurance Stocks:		
Can. Fire Ins.	83.50	88.00
Canada Life Assoc.	483.00	500.00
Confed. Life. 25% pd.	135.00	140.00
Continental Life	33.00	....
Crown Life, fully pd.	200.00	....
Dominion Fire Ins.	130.00	....
Dom. of Can. Gen. Ins.	106.00	112.00
Empire Life 25% pd.	10.00	11.00
Excelsior Life 30% pd.	58.00	63.00
Federal Fire 25% pd.	46.50	....
Great-West Life	295.00	310.00
Imperial Life	315.00	335.00
Manufacturers Life	240.00	250.00
Monarch Life 10% pd. Div.	24.00	26.00
Sovereign Life 25% pd.	13.00	16.00
Sun Life	480.00	500.00
Toronto General	5.25	6.00
Western Assce., pfd.	41.00	44.00
Do., com.	48.00	52.00
Theatre Stocks:		
Allens Kingston, pfd.	65.00	....
Do., London, pfd.	62.00	70.00
Do., St. Catharines, pfd.	61.50	65.00
Do., Tor., 7% bonus com.	33.00	....
Mansfield Theatre, pfd.	25.00	27.50
Paramount Kitchener, pfd.	47.50	50.00
Do., Oshawa, pfd.	88.00	92.00
United Amusement, A	12.50	15.00
Do., B	12.50	15.00
Investment Trust Shares:		
Can. Invest. Fund	4.10	4.45
Can. Investors Corp.	6.25	....
Invest. Found. Units	52.00	55.00
Lon. Can. Inv., com.	2.00	4.00
Do., pfd.	32.00	37.00
Sec's. Hold. Corp., pfd. bon.	17.00	18.50
United Corp. Ltd., A	20.00	21.50
Do., B	11.50	12.25
Power Issues:		
Can. West. Nat. Gas	23.00	27.00
Do., pfd.	93.00	96.00
Great Lakes Power, pfd.	98.50	102.00
Inter. Util. $7 pfd.	88.00	92.00
Montreal Island Power, pfd.	18.00	20.00
Northern Ont. Pwr., pfd.	95.00	100.00

Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines
Oct. 18	43,500	138,100	791,000
Oct. 17	40,600	154,700	850,000
Oct. 15	22,600	165,100	499,000
Oct. 14	41,200	137,300	753,000
Oct. 13	69,700	270,700	994,000
Oct. 12	28,900	107,600	838,000

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.70	4.00
Can. Inv. Fund	4.10	4.45
All Can. Trustee	12.50	13.10
Trans-Canada	....	13.00
Grouped Income	5.17	5.80
Can. Int. Tr. modified	5.25	6.00
Do., unmodified	4.75	5.50

Unlisted Mines

TORONTO
October 18, 1938

	Bid	Ask		Bid	Ask		Bid	Ask
Addington	.13½	.14½	Hiawa'a	1.40	1.43	Plains P	1.35	1.40
Albany R	.22	.24	Hutch Lake	.04	.04½	Planet	.02	.02½
Algoma S	.20	.22	Hugh P P	.10½	.12	Pontiac R	.16	.17½
Amorada	.03	.05	Keora	.3	.03½	Pelangio	.05½	.06
Arjon	.04½	.05½	Kaw Crow	.02	.03	Presdor	.04	.05
Armistice	.03½	.04½	Kenricia	.23	.27	Polaris	.36	.37
Argosy	.04½	.05	Kewaga'a	.13½	.14	Propri'y	2.00	2.05
Arno	.01½	.02	Kir Vit	.02¾	.03	Quebec Mn	.16	.17
Athona	.05	.05½	Kirk Gate	.08	.10	Rand Mi	.18	.20
Area	.10½	.11	Kirk Hunt	.02	.02½	Rajah	.02	.02½
Barb Lar	.26½	.28	Lacoma	.04¼	.04½	Ribago (n.)	.03	.03½
Big Master	.03	.03¾	Lafayette	.01½	.02	Rhyolite	.09¼	.10
Bilmac	.05	.06½	Lake Duf	.73	.75	Red LGS	.02¾	.03
Baldwin	.01¾	.02	Lake Gen	.23	.26	Rich Rock	.05½	.06½
Buf Bear	—	.10	Lake Rose	.06	.08	Ronda	.18	.21
Cuniptau	.05½	.06	Lardego	.05	.05½	Rouyn Re	.01¾	.02½
Calder Bo	.04¼	.04¾	Lamaque	6.90	7.10	Rubec	.01½	.01¾
Camlaren	.15	.16	Lucky Kir	.05½	.06	Sachigo	18.00	18.50
Cana Pan	.04¼	.05	Magnet L	.11½	.13	Shenango	.31	.33
Cana Kirk	.01	.01½	Magnet C	.53	.55	Sheldon	.08½	.09
Capital Ro	.03	.03½	Manco	.01	.01½	Silver Val	.04	.05
Central M	.04	.04¾	Martin B	.14	.15	Siscoe E	.05½	.06½
Cheminis	.09	.10	Mata Cana	.04½	.05½	Smelter	.05	.05½
Coin Lake	.03½	.04½	Moffatt Hall (New)	.05½	.06½	South Ver	.05	.06
Crowshor	.11½	.13	McFar LL	.01½	.02	Spooner	.06¾	.07½
Cont Kirk	.17	.19	McCarthy	.05¾	.07	Sturg Riv	.27	.30
Dawson W	.02¼	.03	McVit Kir	.03¼	.03¾	Sunbeam	.38	.41
Delandore	.04	.06	Monarch	.02¼	.02¾	Sun Bear	.02	.02½
Desantis (new)	.23	.24	Mosher	.19	.19½	Surf Inlet	.10	.15
Doreva	.05	.06	Mooshla	.05	.05½	Springer	.08	.10
Devon	.22	.24	Norlake	.03¼	.04	Tonawa'a	.03¼	.03½
Dunlop (new)	.02	.02½	Norbeau	.83	.86	Up Cana	.66	.68
Elmos	.26	.29	Negus	.83	.90	Virita	.02	.02½
Frontier	.06½	.07½	North Shore	.01½	.02	Williamson	.02	.02½
Gate Pat	.02¼	.03	Oklend	.17	.18	Wesley	.07½	.08½
Gilbec	.01½	.02	O'Leary	.03½	.04	Wells L L	.12	.14
Goldside	.01	.01½	Opemiska	.10	.13	Westside	.01¼	.02½
Golden G	.44	.46	Oriole	.04¾	.05	Westwood	.10¼	.10½
Golden Tr	.06	.07½	Ossian	.04¾	.05¼	Wh Horse	.04	.04½
Gordon Lb	.03¼	.04	Pascalis	.37	.39	Winoga	.06	.06½
Hallnor	9.00	9.50	Porcu Lake	.09	.10	Woco	.14	.16
Halliwell	.06	.07	Porc McN	.02¾	.03¼	Y Dav'son	.25½	.30
Hislop	.03½	.04½				Y Shannon	.02½	.03

October 18, 1938
MONTREAL

	Bid	Ask		Bid	Ask		Bid	Ask
Abbeyville	—	.12	Dempsey Cad.	—	.04	Margaret	—	.10
Amity	—	.01½	Dorval Units	—	8.50	Obalski	.09¼	.10½
Br Cadillac	.01	.02	Lake Rowan	.11	.13	Pan Canadian	.06	.09
Chibmac	.02¼	.02¾	L. L. Lagoon	.03½	.05	Routhier Cod	—	.04
Cournor	—	.20	Leroy	.01¼	.02	Valdor Min	—	1.10
						Warrenmac	.07	.10

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

	Oct. 19, 1938	Bid	Asked	Approx. Yld.
■2	1 Jan. '39	100.50	101.25	...
1	1 June '39	99.75	100.25	.60
2	15 Nov. '39	100.50	101.00	1.07
2½	15 Oct. '39	101.00	101.50	1.00
4	15 Oct. '39	102.25	102.75	1.22
1½	1 June '40	100.00	100.50	1.20
4½	1 Sept. '40	105.00	105.50	1.57
1	15 Mar. '41	98.87	99.37	1.27
5	15 Nov. '41	108.87	109.37	1.86
2	1 June '42	100.75	101.25	1.65
3	15 Oct. '42	104.12	104.62	1.80
2½	1 June '43	102.25	102.75	1.88
5	15 Oct. '43	112.27	112.87	2.26
2	1 June '44	99.50	100.00	2.00
■2¼	15 Jan. '44	102.62	103.37	▲1.42
4½	15 Oct. '44	111.00	111.50	2.42
2½	15 Nov. '44	101.50	102.00	2.16
■2½	15 Aug. '45	103.12	103.37	▲1.77
4	15 Oct. '45	107.50	108.00	▲2.30
4½	1 Feb. '46	111.50	112.00	2.68
3¼	1 June '49	102.00	102.50	▲2.88
3½	15 Oct. '49	103.25	103.75	▲2.82
3¼	15 Nov. '51	101.50	102.00	▲3.03
■[illegible]	1 May '52	112.25	113.00	▲1.20
4	15 Oct. '52	107.50	108.00	▲3.02
3	1 June '55	98.50	99.00	3.08
4½	1 Nov. '56	110.25	111.25	▲2.92
4½	1 Nov. '57	110.50	111.50	▲3.03
3	1 June '58	97.50	98.00	3.13
4½	1 Nov. '58	111.50	112.00	▲3.10
4½	1 Nov. '59	111.87	112.37	▲3.16
■4	1 Oct. '60	111.00	111.75	▲2.84
■3¼	15 Jan. '61	104.12	104.87	▲2.89
3¼	1 June '66	100.00	100.50	▲3.21
■3	15 Jan. '67	99.75	100.50	2.83
■3	Perp. bonds ...	90.75	91.50	3.08

Dominion Guaranteed Bonds

		Bid	Asked	Yld.
Canadian National Railway:				
2	15 Jan. '42	100.50	101.50	1.52
2	15 Feb. '43	99.75	100.75	1.81
3	1 May '44	103.00	104.00	2.23
3	15 Dec. '50	98.25	99.25	3.07
3	15 Feb. '53	97.75	98.75	3.11
*4½	1 Sept. '51	114.50	115.50	3.05
*4½	1 Feb. '56	115.00	116.00	3.29
†4½	1 July '57	114.75	115.75	3.38
*4¾	15 June '55	117.50	118.50	3.32
5	1 Feb. '54	118.00	119.00	3.41
*5	1 July '69	116.75	117.75	▲2.47
*5	1 Oct. '69	119.50	120.50	▲3.16
*5	1 Feb. '70	119.25	120.25	▲3.24

Provincial Government Bonds

		Bid	Asked	Yld.
New Brunswick:				
3	15 Oct. '51	90.00	91.50	3.83
3½	15 June '56	94.00	96.00	3.81
†4	15 Nov. '47	101.50	103.00	▲3.52
†4½	15 Apr. '61	104.00	105.50	4.12
†5	15 Jan. '60	108.50	110.50	4.25
Nova Scotia:				
3	2 Jan. '52	94.00	95.50	3.42
3¼	1 June '56	97.00	99.00	3.32
3½	15 Dec. '49	99.00	101.00	3.40
†4½	15 Sept. '52	108.50	110.50	▲3.15
†4½	15 Nov. '60	110.00	112.00	3.70
†5	1 Mar. '60	116.00	118.00	3.77
Ontario:				
2½	15 May '45	100.50	101.50	2.25
3	1 Dec. '51	97.75	98.75	3.11
3¼	15 Nov. '51	100.00	101.00	▲3.15
*4	1 June '62	107.00	108.00	3.50
4½	1 June '50	111.75	112.75	3.21
*4½	15 Jan. '62	115.00	116.00	3.50
5	15 Oct. '48	115.25	116.25	3.10
*5	2 Dec. '60	121.00	123.00	3.52
5½	1 July '46	116.00	117.00	3.02
Ont. Hydro Comm.:				
3	1 Aug. '48	98.00	99.00	3.12
3¼	1 Feb. '53	99.50	100.50	▲3.20
3½	1 Apr. '47	103.00	104.00	2.96
Prince Edward Island:				
3	1 Oct. '45	99.00	101.00	2.85
Quebec:				
3	1 Nov. '51	95.00	96.00	3.39
3¼	1 Mar. '48	98.00	99.00	3.31
3¼	1 June '52	97.00	98.00	3.43
4	15 Mar. '52	104.50	106.00	3.44
4¼	1 Aug. '58	108.00	110.00	3.55
4½	2 Jan. '63	110.50	112.00	3.75
Alberta:				
4	15 Dec. '54	55.25	59.25	§
4½	1 Oct. '51	61.00	65.00	§
†4½	1 Oct. '56	57.25	61.25	§
*5	1 Oct. '59	59.75	63.75	§
†5½	1 Apr. '52	61.00	65.00	§
6	1 Mar. '47	63.00	67.00	§
British Columbia:				
†4	1 Dec. '57	90.75	93.75	4.48
*4½	15 Jan. '51	96.50	99.50	4.55
†4½	1 Oct. '53	96.25	99.25	4.57
†5	25 Apr. '54	99.75	102.75	4.75
5½	1 Feb. '45	101.25	104.25	4.71
6	15 Feb. '47	104.00	107.00	4.96
Manitoba:				
†4	1 Dec. '57	85.75	89.75	4.82
†4½	15 Dec. '56	90.00	94.00	5.00
*5	2 Dec. '59	95.75	99.75	5.02
5½	1 Oct. '55	97.25	101.25	5.39
6	1 Apr. '47	100.25	104.25	5.37
Saskatchewan:				
4	1 Nov. '60	72.00	76.00	5.97
†4½	1 Oct. '51	80.00	84.00	6.32
†4½	15 Mar. '60	75.75	79.75	6.22
5	1 Aug. '58	82.25	86.25	6.21
5½	1 Oct. '52	86.00	90.00	6.60
6	15 Mar. '52	88.25	92.25	6.90

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Callable on or after Sept. 15, 1936. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Ault & Wiborg pf.	1.37½c	Nov. 1	Oct. 15
Aluminium, pf. ...	$1.50	Dec. 1	Nov. 15
Anglo-Can. Tel., p.	68¾c	Nov. 1	Oct. 15
Assoc. Tel., 1st pf .	49c	Nov. 15	Nov. 1
Do., $6 pref.	42c	Nov. 15	Nov. 1
Beatty Bros. 1st pf.	$1.50	Nov. 1	Oct. 15
Buffalo Ank.	25c	Nov. 15	Nov. 1
B. C. Tele., 2nd pf.	$1.50	Nov. 1	Oct. 17
Bk. of Toronto	$2.50	Dec. 1	Nov. 15
Can. Nor. Pwr. .	30c	Oct. 25	Sept. 30
Can. Indus., A & B	$1.25	Oct. 31	Sept. 30
Can. Bk. of Comm.	$2	Nov. 1	Sept. 30
Can. Bronze	37½c	Nov. 1	Oct. 20
Do., pref.	$1.25	Nov. 1	Oct. 20
Calgary & Edm. ..	8c	Dec. 15	Nov. 15
Can. Investors	10c	Nov. 1	Oct. 18
Crown Cork	25c	Nov. 15	Oct. 31
Calgary Power pf..	$1.50	Nov. 1	Oct. 15
Cons. Press A	15c	Nov. 1	Oct. 15
Can. & Dom. Sugar	37½c	Dec. 1	Nov. 15
Do., extra	25c	Nov. 1	Oct. 20
Coast Brew.	3c	Nov. 1	Oct. 13
C'monwealth Int'l.	4c	Nov. 15	Oct. 15
Can. Inv. Fd., sp. & ord.	3c	Nov. 1	Oct. 15
Dome Mines	50c	Oct. 20	Sept. 30
Dominion Tar, p.	$1.37½	Nov. 1	Oct. 12
East. Twp. Tel. ...	36c	Oct. 15	Oct. 12
Gurd., Chas., pfd. .	$1.75	Nov. 15	Nov. 1
Hollinger Cons. ...	5c	Nov. 4	Oct. 21
Do., extra	5c	Nov. 4	Oct. 21
Humberstone Shoe	25c	Nov. 1	Oct. 21
Imperial Bank	$2.50	Nov. 1	Sept. 30
Int. Utilities, pf. ..	$1.75	Nov. 1	Oct. 21
Do., $3.50 pf. ...	87½c	Nov. 1	Oct. 21
Inter. Nickel, pfd.	$1.75	Nov. 1	Oct. 4
Koot. Belle	4c	Oct. 22	Oct. 15
Do., extra	1c	Oct. 22	Oct. 15
Kirk. Lake G.	4c	Dec. 1	Oct. 31
Do., extra	2c	Dec. 1	Oct. 31
Leitch Gold	▲2c	Nov. 15	Oct. 31
McIntyre Porc.	50c	Dec. 1	Nov. 1
Mtl. L. H. & Pr. ..	37c	Oct. 31	Sept. 30
North. Ont. Pr., p.	$1.50	Oct. 25	Sept. 30
Do., com.	75c	Oct. 25	Sept. 30
Ottawa Car	†$1	Oct. 29	Oct. 22
Orange Crush, pf. .	35c	Nov. 1	Oct. 15
Penmans	75c	Nov. 15	Nov. 5
Do., pref.	$1.50	Nov. 1	Oct. 21
Pamour Porc.	▲12c	Nov. 1	Oct. 14
Royal Bank	$2	Dec. 1	Oct. 31
Saguenay Pr., pf.	$1.37½	Nov. 1	Oct. 14
San Antonio G. ...	7c	Nov. 5	Oct. 20
Sec. Std. Rylts., p.	1c	Nov. 1	Oct. 15
Silbak Prem.	4c	Oct. 25	Oct. 5
Steel of Can.	43¾c	Nov. 1	Oct. 7
Do., pref.	43¾c	Nov. 1	Oct. 7
South Can. Pr. c...	20c	Nov. 15	Oct. 31
St. Law. Flour	25c	Nov. 1	Oct. 20
Do., pref.	$1.75q	Nov. 1	Oct. 20
Simpsons, pfd.	$1.25	Nov. 1	Oct. 25
Robt. Simpson, pf.	$3	Nov. 1	Oct. 17
Texas Can. Oil	6c	Nov. 30	Oct. 15
Toburn Gold	2c	Nov. 22	Oct. 21
Do., extra	2c	Nov. 22	Oct. 21
United Corp., A ...	37c	Nov. 15	Oct. 31
Union Gas	20c	Dec. 15	Nov. 21
Wood, A. & J., pf.‡	$1.75	Nov. 1	Oct. 19
Zeller's, pref.	37½c	Nov. 1	Oct. 15

▲Initial. †Interim. ‡Arrears.

Perron Gold Mines report production in Sept. of $106,539 from 10,339 tons of ore milled. This compares with $79,726 for September of last year and $110,742 for August of this year. During the month the mill did an average daily tonnage of 346.8 tons. The No. 5 shaft surface buildings and head frame "are 75% completed. The shaft is 80% completed to the 620-ft. level. An advance of 27 ft. has been made below the level," J. P. Norrie, general manager said.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 207

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1938, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st November next, to shareholders of record at the close of business on 30th September, 1938. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.
Toronto, 23rd September, 1938.

THE BANK OF TORONTO

Dividend No. 229

Notice is hereby given that a Dividend of Two and One-half percent upon the Paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of December next to shareholders of record on November fifteenth, 1938.

By Order of the Board.
F. H. MARSH,
General Manager.

The Royal Bank of Canada

DIVIDEND NO. 205

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Thursday, the first day of December next, to shareholders of record at the close of business on the 31st day of October, 1938.

By order of the Board.
S. G. DOBSON,
General Manager.
Montreal, Que., October 14, 1938.

Zeller's Limited

Notice is hereby given that the Directors of Zeller's Limited have declared the regular quarterly Dividend of one and one-half (1½) per cent (37½ cents) on the Preferred Shares payable November 1st, 1938, to Shareholders of Record October 15th, 1938.

By Order of the Board,
T. E. McDERMOTT,
Secretary-Treasurer.

SIMPSONS, LIMITED

Preference Dividend No. 29

NOTICE is hereby given that a Dividend of One dollar and twenty-five cents ($1.25) per share on the Outstanding Paid-up Six and one-half per cent (6½%) Cumulative Preference Shares of the Company has been declared payable on November 1, 1938, to shareholders of record at the close of business on October 25, 1938. The transfer books will not be closed.

FRANK HAY,
Secretary.
Toronto, October 14, 1938.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 311
EXTRA DIVIDEND NUMBER 48

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 4th day of November, 1938, to shareholders of record at the close of business on the 21st day of October, 1938.

Dated the 14th day of October, 1938.
I. McIVOR,
Assistant-Treasurer.

Kirkland Lake Gold Mining Company, Limited

(No Personal Liability)

Dividend No. 8

A semi-annual dividend of four cents per share and a special dividend of two cents per share (making a total of six cents per share) on the outstanding capital stock of the Company, has been declared, payable December 1st, 1938, to shareholders of record October 31st, 1938.

The Canadian five per cent tax will be deducted from dividends paid to non-residents.

By Order of the Board,
H. F. CASSIDY,
Secretary-Treasurer.
Toronto, October 12th, 1938.

McIntyre Porcupine Mines

LIMITED
(No Personal Liability)
DIVIDEND NO. 80

Notice is hereby given that a dividend of ten per cent. (10%) on the Company's Capital Stock will be paid in New York funds on December 1st, 1938, to shareholders of record at the close of business on November 1, 1938.

By order of the Board.
BALMER NEILLY,
Treasurer.
Dated at Toronto, October 13, 1938.

LEITCH GOLD MINES

LIMITED
(No Personal Liability)
DIVIDEND NO. 1

NOTICE is hereby given that a dividend of two cents per share has been declared by the Directors of Leitch Gold Mines Limited (No Personal Liability) payable in Canadian funds on November 15th, 1938, to Shareholders of record, October 31st, 1938.

By order of the Board,
H. J. MACKAY,
Sec.-Treas.
Toronto, Ontario.
October 13th, 1938.

A. J. PATTISON JR. & CO. Ltd
Established 1907
CORPORATION SECURITIES
Royal Bank—EL. 5101
TORONTO

Profits Down For Saguenay

Earns $3.19 a Share in First Nine Months This Year

From Our Own Correspondent

MONTREAL.—Earnings of Saguenay Power and its wholly-owned subsidiaries in the first nine months of the current year were equivalent to $3.19 a share on the common stock. This compares with $4.40 a share in the same period of 1937.

Lower operating revenues and higher operating expenses are responsible for the decline. Operating revenue in the nine months ended Sept. 30, amounted to $3,461,570, a reduction of $231,281 from the same period last year. Operating expenses, on the other hand, were $36,500 higher, amounting to $451,766. Provision for depreciation and for discount on financing is also up but this is offset by a reduction in bond interest and in provision for income taxes.

Profit in the nine-month period fell $116,718 short of meeting dividend payments of $3.75 a share on the common stock.

Comparative income and surplus figures for the nine months are given below:

Nine Months Ended Sept. 30

	1938 $	1937 $
Oper. revenue	3,461,570	3,692,851
Less: Oper. exps.	451,766	415,266
Taxes	174,159	174,104
Add: Other income ..	9,140	11,479
Net earnings	2,844,785	3,114,959
Less: Bond interest ..	1,052,237	1,074,857
Other interest	621	3,601
Disc. on financing ..	168,591	130,288
Depreciation	523,355	502,339
Income taxes	222,944	272,877
Net profit	877,037	1,130,996
Less: Pref. divds.	206,255	206,254
Common divds.	787,500	1,260,000
Deficit	116,718	335,258
Add: Prev. surplus ..	3,643,800	3,274,270
Profit on secs. sold .	......	201,653
Less: Prem. on notes .	13,200	......
Surplus forward	3,513,882	3,140,665

In the three months ended Sept. 30 net profit was equivalent to $1.12 a share on the common stock, compared with $1.73 a share in the same period of 1937.

Operating revenue for the period was $127,812 lower at $1,169,000. Operating expenses were $42,896 higher at $175,161.

Given below are comparative income and surplus figures for the three months ended Sept. 30:

Income and Surplus Account
Three Months Ended Sept. 30

	1938 $	1937 $
Oper. revenue	1,169,000	1,296,812
Less: Oper. exps.	175,161	142,265
Taxes	55,348	54,833
Add: Other income ..	3,796	3,221
Net earnings	942,287	1,102,935
Less: Bond interest ..	347,544	356,375
Other interest	76	......
Disc. on financing .	42,268	43,429
Depreciation	172,826	169,439
Income taxes	74,379	100,757
Net profit	305,194	432,935
Less: Pref. divd.	68,752	68,752
Common divd.	262,500	210,000
Deficit for period	26,058	‡154,183
Add: Prev. surplus ..	3,539,940	2,986,482
Surplus forward	3,513,882	3,140,665

‡Surplus.

Mining Dividends

	Rate	Oct. 17	%
Anglo-Huronian	10c	3.35	3
Beattie Gold	10c	1.25	8
Bralorne	60c+40c	9.35	*10.7
Buffalo Ankerite	$1	14.50	6.9
Bulolo Gold	$3	26.00	11.5
Can. Malartic	6c	.84	7.2
Cariboo Gold	10c+6c	2.40	*6.6
Central Patricia ...	16c+2c	2.50	...
Coniagas	25c	1.60	...
Coniaurum	10c	1.35	...
Cons. Smelters ...	50c+50c	65.25	...
Dome Mines	$2	33.00	6.1
Falconbridge	30c	6.55	4.6
Gunnar Gold	†3c	.63	4.8
Hedley Mascot	12c+4c	1.20	*13.3
Hollinger	65c+45c	15.12	*7.2
Hudson Bay	75c	33.75	...
Inter. Mining	35c	9.12	...
Int. Nickel, com. ...	$2+25c	55.50	*4.1
Island Mountain	5c	1.40	3.6
Jack Waite	†1½c	.42	...
Kerr Lake	5c	.50	...
Kirkland Lake	8c+2c	1.27	7.9
Kootenay Belle	16c+2c	1.38	*13.2
Laguna	†5c	.16	...
Lake Shore	$4	50.25	7.9
Lava Cap M.	8c	.85	...
Leitch	†2c	.76	...
Little Long Lac	20c	3.05	...
Macassa	20c	5.15	3.9
McGillvray Creek	3c	.23	...
McKenzie Red Lake ...	12c	1.18	10.2
Moneta	†3c	1.35	...
McIntyre Porc.	$2	49.50	4
Noranda	‡$2	78.00	...
Nipissing	15c	1.60	...
North Empire	50c	8.00	6.2
Oro Plata	†4c	.40	...
Pamour Porc.	‡12c	4.40	...
Paymaster	‡1c	.60	...
Pioneer, B.C.	40c	2.75	14.5
Pickle Crow	40c	5.15	7.8
Placer Develop.	$1.20	15.00	8
Premier	12c	2.28	5.2
Reno	10½c	.39	...
Sheep Creek	12c+4c	.85	*18.8
Silbak Prem.	8c	1.85	4.3
Siscoe	20c+1c	1.64	*12.7
Sudbury Basin	10c	3.10	3.2
Sullivan Cons.	5c	.98	5.1
Teck-Hughes	40c+5c	4.90	*9.1
Toburn	8c+6c	2.15	*6.5
Ventures	37½c	5.85	6.4
Wright-Harg.	40c+30c	7.75	*9

*Yield includes bonus. ‡Interim.
†Initial.

ANGLO-CANADIAN TELEPHONE COMPANY

Preferred Dividend Notice

NOTICE is hereby given that a dividend of One and Three Eighths Per Cent (1⅜%) has been declared on the 5½% Cumulative Preferred Stock of the Company for the Quarter ending October 31, 1938, payable November 1, 1938, to Stockholders of record at the close of business on October 15, 1938.

By Order of the Board.
GEOFFREY PURDY,
Secretary.
Montreal, October 14, 1938.

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ended September 30th, payable November 15th, to shareholders of record October 25th, 1938.

By Order of the Board,
JAMES WILSON,
Secretary.
Montreal, October 18, 1938.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share has been declared on the No Par Value Shares of this Company for the Quarter ending 31st October, 1938, payable 15th November, 1938, to Shareholders of record at the close of business on the 31st October, 1938.

By Order of the Board,
F. W. EVENS,
Secretary.
Montreal, Que.
18th October, 1938.

PITFIELD PROMOTIONS

ARTHUR S. TORREY **ERIC S. MORSE**

W. C. Pitfield & Co. Ltd., investment dealers, have announced the appointment of Arthur S. Torrey as general manager and Eric S. Morse as sales manager. Mr. Torrey, who has been with the Pitfield organization since its inception, has been sales manager for the past five years. For the past two years Mr. Morse has been resident director in charge of the company's business in Ontario. Prior to that he was manager of the Halifax office.

Gasoline Prices Reduced in East

Average of Cent a Gallon Taken Off Retail Price in Eastern Canada

A reduction in the retail price of gasoline in eastern Canada has been announced by major oil companies. Effective in Ontario, Quebec and the Maritime Provinces, the reduction ranges from one half cent a gallon to 1½ cent a gallon. On the average it is understood the price has dropped one cent a gallon. Differences in the actual reduction in various centres are said to iron out certain inequalities that prevailed.

Oil company executives state that the reduction is to place Canadian retail prices in line with the lower crude oil prices declared in the mid-continent and Texas oil fields of the United States. Taken in conjunction with the onset of the season of reduced consumption in Canada, the lower crude prices are said to justify the lower prices now announced.

May Last Some Time

How long the lower price scale will prevail is uncertain at present. At least there is little likelihood of higher prices until there is some change in crude oil prices in the United States.

Oil company executives interviewed by The Financial Post did not express any surprise that crude oil prices had been lowered in the U. S. In fact it was said that cuts had been overdue in some producing fields. The fundamental position of the oil industry in the U. S. was considered sound. There are indications that gasoline consumption in that country for 1938 will reach a new peak. Steps have been taken to bring most of the other factors under control, such as refinery runs and stocks of crude oil and gasoline. Only gas and fuel oils appear seriously out of line.

In Canada, gasoline sales, so far as figures have been available for the first seven months, were above last year's level. This is in spite of reduced tourist business and some tendency for general business to be less satisfactory.

Dominion Stores Sales Down 4.48% in Month

Sales of Dominion Stores Ltd. for the four-week period ended Oct. 8 decreased to $1.4 million from $1.5 million in the corresponding period of 1937. This is a drop of 4.48%.

Total sales for the year to Oct. 8 amounted to $14.4 millions, as compared with $14.9 millions for the same period in 1937, a decrease of 3.30%.

Stores operated totalled 469 during the last four-week period, as against 476 stores last year. It is stated that war fear during the period had an adverse effect on the company's sales.

Monthly Sales
(Subject to final adjustment)

Four-week period ended:	1938 $	1937 $	Decr. %
Jan. 29	1,404,480	1,457,927	3.67
Feb. 26	1,459,840	1,474,989	1.03
Mar. 26	1,472,091	1,544,860	4.71
Apr. 23	1,495,190	1,547,273	3.37
May 2	1,486,876	1,515,533	1.89
June 18	1,466,405	1,503,839	2.49
July 16	1,467,436	1,500,204	2.18
Aug. 13	1,344,634	1,452,738	7.44
Sept. 10	1,374,523	1,399,044	1.75
Oct. 8	1,451,111	1,519,101	4.48
	14,422,586	14,915,508	3.30

Note:—In the period ended Jan. 29, 1938, 11 fewer stores were operated than in the 1937 period; in the Feb. 26 period, 7 fewer; Mar. 26, 1 fewer; Apr. 23, no change; May 2, 3 fewer; June 18, 4 fewer; July 16, 6 fewer; Aug. 13, 7 fewer; Sept. 10, 8 fewer; Oct. 8, 7 fewer.

Hunter Valley Oils To Reduce Holdings

Following the failure of its No. 1 well to strike oil in commercial quantity, Hunter Valley Oils has decided to surrender some of its leases which comprise 12,892 acres, including 9,052 acres in a solid block along the MacLaren anticline in Alberta. Active drilling operations were carried on to the end of October, 1937, when drilling was suspended at a depth of 8,282 ft. following indication of a formational repetition from cores. It was then decided to pull all recoverable casing and to dispose of drilling equipment.

Balance sheet as at May 31, 1938, shows current assets of $1,844, including cash of $1,463. Current liabilities of $114,548 included loans of $93,963 from shareholders used to finance drilling in 1937.

Bell Issues Stock

MONTREAL.—Bell Telephone Co. of Canada has notified the Montreal Stock Exchange that 4 additional shares of the company's capital stock have been issued in connection with the employees' stock plan. A total of 799,150 shares has now been issued.

TO HEAR REFUNDING PLANS

Refunding plans for New Toronto and Mimico will be heard by the Ontario Department of Municipal Affairs on Oct. 24. These plans were reviewed in The Financial Post of July 9.

Quebec Hits Seaway Plan

Duplessis Supports Hepburn in Opposing St. Lawrence Scheme

From Our Own Correspondent

MONTREAL. — Premier Mitchell Hepburn of Ontario has the support of the Quebec Government in his opposition to the St. Lawrence Waterways scheme.

A statement to this effect by Premier Maurice Duplessis in an interview in Montreal caused no surprise. In view of the close co-operation between the Ontario and Quebec Government during the past year, especially in matters concerning the Federal Government, Quebec's opposition has been taken for granted.

Quebec, Premier Duplessis stated, does not consider that the scheme should be undertaken for years to come. He opposes action at this time on the grounds that the additional power is not needed. His statement follows, in part:

Power Not Needed

"The Privy Council has repeatedly decided that the Federal Government has jurisdiction over navigable rivers but that, on the other hand, the provinces have sole jurisdiction over the bed of these rivers. Consequently, it would be impossible for the Federal Government to undertake any work in these rivers without the full consent of the interested provinces."

Nova Scotia Sells Bonds

Revenues and Expenses This Year Are Within Estimates

From Our Own Correspondent

MONTREAL.—A good reception is reported for the Province of Nova Scotia issue of $4,567,000 3½% bonds currently being offered by a syndicate headed by Wood, Gundy & Co. The bonds are for a 12-year term and are being offered at par and accrued interest to yield 3½%.

The offering syndicate is as follows: Wood, Gundy & Co.; Bank of Montreal; Dominion Securities Corp.; A. E. Ames & Co.; Royal Bank of Canada; Canadian Bank of Commerce; Dominion Bank; Bell, Gouinlock & Co.; McLeod, Young, Weir & Co.; Mills, Spence & Co.; Bank of Nova Scotia; Royal Securities Corp.; McTaggart, Hannaford, Birks & Gordon; Hanson Bros. Inc.; Harrison & Co., Eastern Securities Co.; Mead & Co; Irving, Brennan & Co., and T. M. Bell & Co.

The purpose of the issue is to provide funds to finance general expenditures on highways.

Within Budget Estimate

In the year ended Nov. 30, 1937, Nova Scotia had a surplus of $52,389 after providing for relief out of current revenue. In the previous year there was a surplus of $151,719 before providing for unemployment relief. For the current fiscal year the Government budgeted for a surplus of $7,898 after providing for an increase of $464,185 in ordinary expenditure and an increase of $76,410 in sinking fund provision. According to Hon. Angus L. Macdonald, premier and provincial treasurer, accrued receipts and expenditures for the first 10 months of the current fiscal year are within the budget estimate figures.

Debt position of the province is shown below:

Debt Position

Gross funded debt	$102,671,246
Less: Sinking funds	6,371,631
Revenue producing assets ..	20,099,707
Net debenture debt	76,199,908
Contingent liabilities	502,031

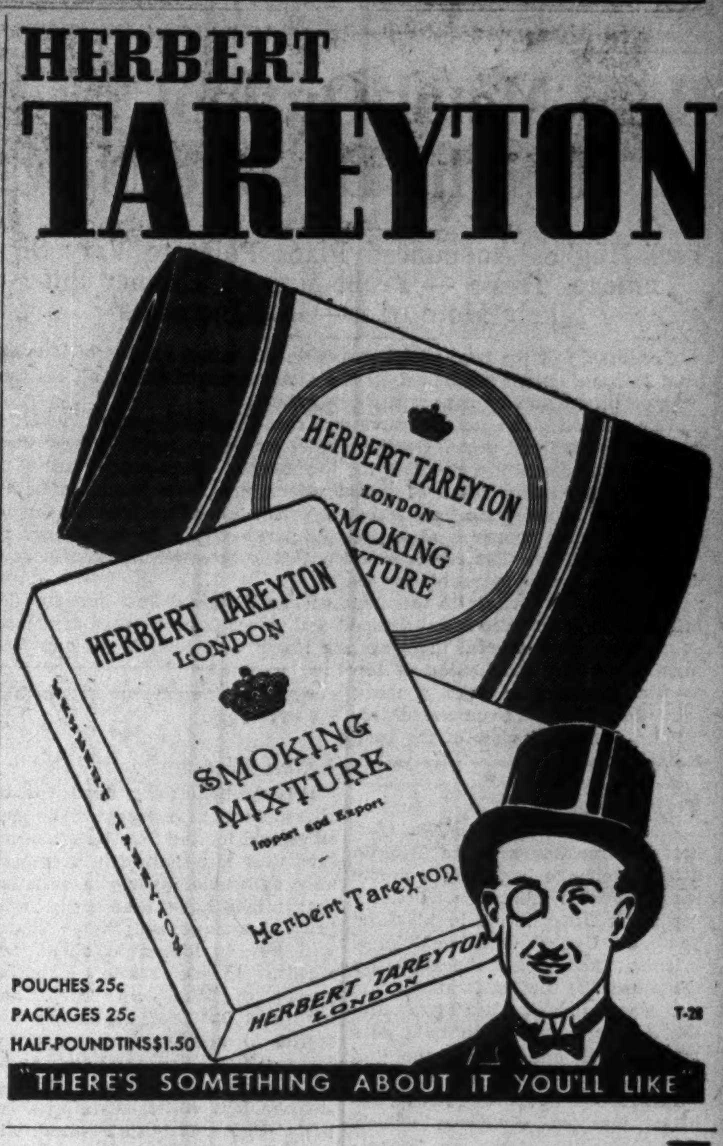
Aylmer School Board Refinancing Bonds

From Our Own Correspondent

MONTREAL. — Arrangements have been completed by the Quebec Municipal Commission for the refinancing of the debt of the Roman Catholic School Commission of the Town of Aylmer.

Under the arrangement the school commission will pay 4½% for the next five years, 5% for the second five years, 5½% for third five years and 6% for an additional 17 years. As is indicated by the above, the debt is to be amortized over 32 years.

The refinancing scheme is similar to that recently arranged for the Town of Aylmer. Both the town and the school commission have been in default for some time.



HERBERT TAREYTON
POUCHES 25c
PACKAGES 25c
HALF-POUND TINS $1.50
"THERE'S SOMETHING ABOUT IT YOU'LL LIKE"

Dumico Gold Corp. Finds Ore While Shaft Sinking

Shaft has been continued from 450 to 673-ft. depth at the property of Dumico Gold Corporation, according to a progress report released by the company covering work completed in the past two months. Ore was encountered in the shaft over a vertical depth of 160 ft. starting at a depth of 511 ft.

When the shaft reaches a depth of 750 ft., an attempt will be made from the 2nd level to find the downward extension of the rich higher-than-average grade ore indicated some time ago on the 1st level west of the shaft. The 3rd and 4th levels at 600 and 750 ft. will also be opened, with work proceeding on both at the same time. Ample funds are stated to be in the treasury for some time to come.

Halifax Fire and Home Cease Joint Operation

Announcement has been made that the Halifax Fire Insurance Company and the Home Insurance Company, of New York, have agreed to terminate all connection between them as regards Canadian business. This action is attributed to the fact that the Halifax Fire, one of the oldest fire insurance companies in North America has been operating in Canada for many years as a non-board company while the Home has been a tariff. The separation of the two companies is stated to be in order to further the plans of the Canadian Underwriters Association to bring all companies in a group into uniformity, either in or out of the association and to cause all companies writing one line of business under tariff regulations to accept tariff jurisdiction in all.

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Week in Mining

Base Metal Outlook Bright Despite News

Teck-Hughes Announced Plans Point to Very Significant Trend — Profit May be Thinner But Likely More of it—Gold Increases

Leadership of the base metal stocks on the mines market of late has been to some extent weakened by the announcement lifting all restrictions on production by copper cartel members.

Explanation given for the move was that the cartel wished to halt a runaway base metal price. On the whole, the action would appear wise and only temporarily depressing for the market. Were copper prices to continue their sharp climb of recent weeks, producers would certainly profit. But at the same time marginal producers—those who can break even only when copper is at an inflated price—would be encouraged to reopen plants, etc. The result would probably be generally painful and, incidentally, not so agreeable for the cartel.

As articles elsewhere in this issue of The Financial Post indicate, the broad outlook for base metal demand and prices is better than for many years past. Most careful investors are likely very soon to discount the importance of the softening of the copper market and take a more sober and, it would seem warranted, a more optimistic view of the base metal outlook.

* * *

Triple Captain

With the election of D'Arcy Doherty to membership, the Toronto Stock Exchange is getting a pretty hard-to-beat combination. Doherty captained three teams in his final year at Upper Canada College, cricket, football and hockey. He captained the McGill football team and was a star member of the McGill hockey team. He now does most of his athletics on the golf course, where he has a 6 handicap.

In addition to sport prowess, Doherty was no classroom slouch. After receiving quite an "honorable" B.A. degree in commerce and finance, he went back for more studies and in 1931 received further awards for learning.

He is now 29 years of age; last year married Florence Rogers, of Hamilton.

He likes plays, but lets his brother, Brian, do all the writing.

* * *

Fewer Duds

Announcement that Teck Hughes will ask shareholders to sanction conversion into a holding company, with the implication that this highly expert organization plans to give more attention to outside properties and exploration, is another very significant indication that mining approaches a wiser if less spectacular maturity.

Two very important results, both for Canadian mining and for the investing public, are indicated by this trend, which promises to gain more adherents in the future.

First: the profits to the individual shareholder from a single stock may be less or spread thinner. At the same time, the profits will be very probably much more sure. In other words, we'll pick fewer big winners, also fewer duds.

Second: vast new sources of investment money will likely be much more readily tapped. Britain, especially, is very ready to invest in the gigantic gold enterprises of the Rand, but notoriously slow to come into Canadian mining. The holding company, with a proved expert management and a highly experienced organization, will almost surely make a bigger competitive appeal with the Rand.

Canada may never have a great many Noranda empires. But there is no reason why she cannot have quite a few, almost as good, if not greater.

* * *

No Bumps

Graphic description of flying conditions in the Yellowknife was given this week by A. Hollinsworth, pilot for Prospectors' Airways and veteran of many a drive into promising new territory.

"The country is practically barren and it is a simple matter to follow practically every major break from a low-flying plane," he said. "The long daylight makes for ideal flying conditions. The steady and almost unvarying temperature gives a clear ceiling free from bumps. It is not at all unusual to take off the lake for a trip at midnight. The visibility then is about as good as it is down here on a partly cloudy day. There is no scarcity of water for landing, but many of the lakes are pretty shallow and have sunken reefs just below the surface, so a lot of them are pretty tricky."

Hollinsworth made a scouting trip up into the Barren Lands during the summer, and, he says, "that's sure the name for them. You can't find a piece of wood there bigger than your finger. We cooked on a gas stove, but it rained and snowed so hard, the sleet cut right through our silk tent. The country seems stripped of most vegetation, but we saw great herds of caribou. They're a great sight from the air."

* * *

More Gold

For the eight months of 1938 ended August, Canada's gold production totalled 3,051,061 ounces, compared with 2,672,812 ounces for the same period last year and 2,427,317 ounces for 1936. It appears that the record for the year will show a very substantial gain over the production of 4,096,213 for 1937.

* * *

August production for Canada totalled 412,135 ounces. In July production was 420,778 ounces and August, 1937, was 349,108 ounces. Gain in production was recorded mainly by Ontario, with Quebec and Yukon showing smaller increases. Decreases were shown in British Columbia, Manitoba and Saskatchewan.

* * *

World gold production for August, excluding Russia, was 2,765,000 ounces, an increase of better than 1% over July.

* * *

Union Mining

It is significant that Read Authier shareholders have accepted the plan submitted for the distribution of assets, thus terminating in a reasonably agreeable manner a situation that might have been filled with grief. Lamaque and Sigma shares will be distributed in about two weeks. Other assets including shares of Nu-Sigma Corp. and around $125,000 cash are to be transferred to a new company, Union Mining Corp. Shares of Union will be issued back to Read Authier shareholders on a share-for-share basis. Union, it is understood, will apply for listing on the Toronto and Montreal Curb exchanges.

Copper Needs Keeping Pace With Output

Study Reveals Balance Likely as World Stocks Low

Metal markets of the world continue active. Copper holds the spotlight and its price gyrations recall the adage: "Copper is king today and beggar tomorrow." They recall too that copper price movements upward come as rapidly as those downward.

A peak of 11.70 cents per pound was touched by export copper at New York over last week end after a succession of new highs had been made almost daily for a period of two weeks. The trend upward was broken, however, with the announcement on Monday of the copper cartel's lifting of all restrictions on copper output. By Tuesday evening, export copper had declined to 11.14 cents per pound.

Predictions of a price of 12 cents per pound and even higher for copper had been made freely prior to the cartel's announcement of increased production and statistics of production and consumption were offered to back up these predictions.

World Stocks Drop

Statistics showed that world stocks of refined copper dropped 37,070 tons in September while total refined and blister stocks of copper fell by 43,479 tons. Total world refined stocks at the end of September were 457,454 tons, while September deliveries were 190,935 tons. Deliveries for September were the highest for any month since June, 1937, and world stocks at the end of September were the lowest since last November.

First hint that a largely increased production would result from the higher price for copper came in the second week of October when it was announced that members of the cartel would raise their rate from 95 to 105% of standard capacity.

The copper cartel controls most of world production outside the United States, Canada and Russia. In fixing production rates, the cartel has set a standard basic rate of 100 which is equal to about 61% of actual capacity. Since the cartel has been producing at 95% of the standard rate, members have been producing around 58% of their possible output. With no restriction on output cartel members will be at liberty to increase their output by about 72.4% over, say, the output in September.

September Output

World output of refined copper in September was approximately 153,000 tons. Of this about 46,000 tons was attributable to United States and about 12,000 tons to Canada. Accordingly the figure on output to be affected by the cartel should be somewhere below 95,000 tons. An increase of 72.4% in 95,000 tons would mean an increase of about 69,000 tons monthly. But the increase should be somewhere below 69,000 tons. As stock fell 43,479 tons in September, production and consumption should be fairly close together if no large increases in production are recorded by producers outside the cartel and consumption continues at the September level.

Limited information available on sales in October indicates that consumption may continue higher than production. United States domestic sales for the first 12 days of October totalled 62,633 tons compared with deliveries of 53,637 tons for all of September. While heavier copper demand in October may represent building up of stocks by consumers a large part of it likely represented increased demand for industrial uses.

Hard Rock Gold Mines produced $162,856 in the three months ended Sept. 30, 1938, from treatment of 21,492 tons of ore, an average recovery of $7.58 per ton. In the six months ended June 30, 1938, production was $307,738 from 31,544 tons of ore, an average of $9.76 per ton.

Base Metal Producers in Position to Profit from Upturn

	Output In 1937				What a Cent's Rise in Base Metal Prices Means:							
					In returns to the company			On a per share basis				
	Shares Outstanding	Copper lb.	Lead lb.	Zinc lb.	Copper	Lead	Zinc	Copper	Lead	Zinc	Earnings Per Sh. in 1937	Dividend Rate
Aldermac	4,969,396	5,324,004 (Est. cap., 14,500,000)	......	......	$145,000	......	......	$0.03	....	....	d$0.045	....
Price range—1937: High, $1.90; Low, $0.30. 1938, High, $0.70; Low, $0.28. Current, $0.67.												
Consolidated Smelters	3,262,984	4,584,000	413,158,000	285,300,000	$45,840	$4,131,580	$2,853,000	$0.01	$1.27	$0.87	$4.50	*$0.50+*$0.50
Price range—1937: High, $100.50; Low $45.00. 1938: High, $66.25; Low, $45.37. Current, $65.25.												
Falconbridge Nickel	3,337,507	6,310,000	......	......	$63,100	......	......	$0.02	....	....	$0.41	$0.30
Price range—1937: High, $12.87; Low, $4.70. 1938: High, $6.90; Low, $4.25. Current, $6.55.												
Granby Consolidated	2,250,003	5,940,650 (Est. cap., 30,000,000)	......	......	$300,000	......	......	$0.13	....	....	d$0.14	....
Price range—1937: High, $15.00; Low, $3.00. 1938: High, $8.87; Low, $2.50. Current, $8.12.												
Hudson Bay M. & S.	2,757,973	57,688,465	......	68,972,224	$576,885	......	$689,722	$0.21	....	$0.25	$2.72	*$0.75
Price range—1937: High, $41.75; Low, $15.75. 1938: High, $34.00; Low, $20.67. Current, $33.75.												
International Nickel	14,584,025	‡291,880,403	......	......	$2,918,804	......	......	$0.20	....	....	$3.32	$2+$0.25
Price range—1937: High, $73.25; Low, $36.75. 1938: High, $57.00; Low, $37.00. Current, $55.50.												
Noranda Mines	2,239,772	87,060,237	......	......	$870,602	......	......	$0.39	....	....	$4.14	$2
Price range—1937: High, $83.00; Low, $36.75. 1938: High, $80.00; Low, $48.00. Current, $78.00.												
Normetal	3,755,012	724,840 (Est. cap., 7,000,000)	......	[illegible]55,677 (Est. cap., 21,000,000)	$70,000	......	$210,000	$0.019	....	$0.056	d$0.036	....
Price range—1937: High, $2.23; Low, $0.60. 1938: High, $1.14; Low, $0.45. Current, $0.85.												
Pend Oreille	1,632,308	......	•8,328,400 (Est. cap., 11,000,000)	•13,158,400 (Est. cap., 17,500,000)	......	$83,284	$131,584	...	$0.067	$0.107	$0.009	....
Price range—1937: High, $6.60; Low, $1.25. 1938: High, $2.62; Low, $1.30. Current, $2.32.												
Sherritt Gordon	5,874,432	9,951,718 (Est. cap., 30,000,000)	......	†	$300,000	......	†	$0.05	....	†	d$0.014	....
Price range—1937: High, $4.00; Low, $0.90. 1938: High, $1.90; Low, $0.90. Current, $1.78.												
Waite Amulet	3,000,000	▲6,750,000 (For capacity, see▼)	......	▲7,800,000 (For capacity, see▼)	▼	......	▼	▼	....	▼	d$0.002	....
Price range—1937: High, $4.65; Low, $1.00. 1938: High, $8.50; Low, $1.02. Current, $7.70.												

•For fiscal year ended April 30, 1938. ‡Sales; figures for production not received. †Facilities for recovery of zinc values not installed. *Contained in concentrates stored for future shipment at higher prices. ▲Approximate; covers period from July 3 to Dec. 31, 1937. *Paid so far in 1938. ▼Waite Amulet is increasing mill capacity from 350 to 500 tons daily and an additional 1,000-1,200 ton recovery plant is proposed to treat higher grade ore indicated by diamond drilling. Accurate estimate of future output is not considered possible at this time.

Any Recovery Move Means High Base Metals Demand

Hardly in a generation has the base metal outlook held such unique interest for the investor.

The Munich peace or "armistice" has not halted armament programmes. It now seems confirmed that for some time to come the world will be busy building up its armed strength.

Very significant in this respect was the recent announcement of President Roosevelt that the United States must launch a major armament programme.

Along with this demand for base metal products is the broad prospect of expanding industrial demand.

Much construction work cannot much longer be delayed, especially in the United States.

How much longer can residential building be delayed, for instance? It is estimated that to catch up with housing needs, United States would have to build about one million housing units annually for the next four years.

Government and banks are co-operating on a campaign to get people to build. They are offering attractive financing arrangements and lowering the real cost of home ownership.

Housing means roofing, plumbing, wiring, radios, electric refrigerators and appliances—all big base metal users.

There is the same general outlook for industrial building. United States business is now on the whole less fearful of the Roosevelt hand.

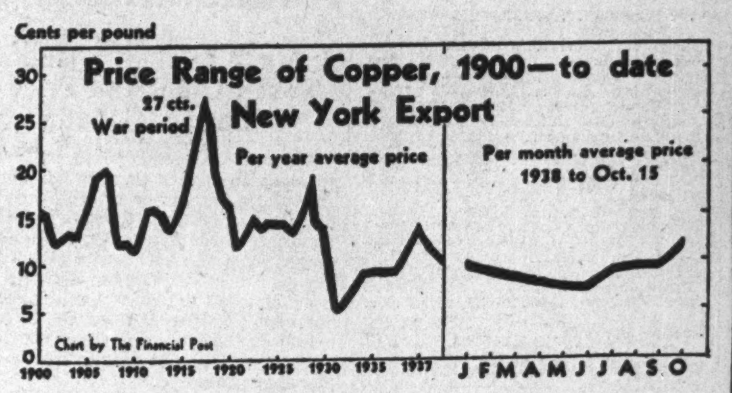
Sweeping expansion in public utilities now seems assured. Pointing to abnormal growth is the U. S. President's statement that "stand-by" power systems designed to prevent the paralysis of whole communities in war time are under consideration. Over the next 10 years the light and power industry of the United States must spend over $1 billion per year, increasing that sum to total $13 billions at the end of the decade, according to the vice-president of Consolidated Edison of New York.

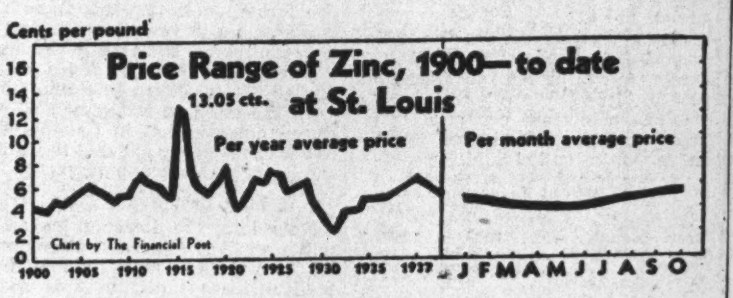
The automobile industry has in the past been a recovery leader. A very substantial increase is forecast for 1939. And the auto industry uses among other things 39% of all lead used in United States, 33% of the nickel, 22% of the copper.

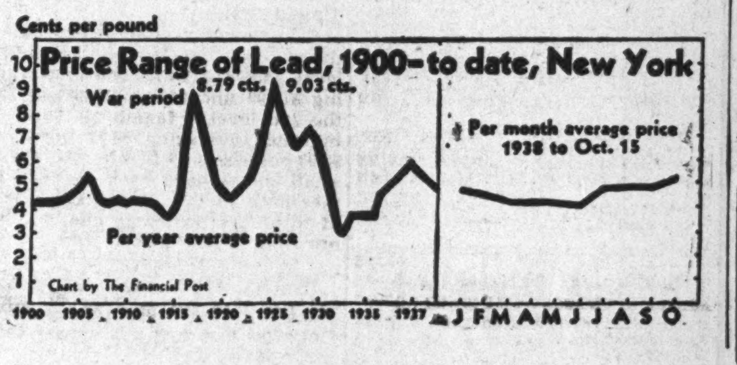
Railways seem to be emerging from a difficult period of adjustment. In this industry, vast equipment buying cannot be postponed. Cutting expenses by the junking of obsolete equipment and attracting traffic through modernization is now the policy of most of the important roads.

Those are the developments to which present signs are pointing. From each of them Canadian base metal producers will profit greatly.

And Canada's base metal mines are this time fully prepared to share in the profits from vast activity. Once before when there was sweeping demand for their products some were closed and lost valuable time getting into action. Now, the base metals are in a position to profit from every notch upward demand goes, from every fraction of a cent base metal prices rise.







Oilmen Might Nominate Ex-premier for U. K. Job

Why shouldn't the Alberta oil operators nominate Herbert Greenfield to represent them in Britain?

H. GREENFIELD

From authoritative London sources, The Financial Post has been receiving messages of the serious interest of important London circles, both financial and industrial in Alberta oil. It has also been told that something almost akin to impatience is growing in some Empire circles at their inability to get clearly and authoritatively the true Alberta picture.

The Empire is launched upon perhaps the greatest preparedness campaign of all time. The high promise of the long belt of foothills country as a rich store of petroleum is generally accepted. Now seems the time for showing British financial and government circles what Canada has to offer.

* * *

Here's the Horatio Alger story of Greenfield.

Born, England, 1869; came to Canada as a boy. Became a farmer, and organizer for the United Farmers of Alberta.

Without even being a political candidate, he landed in the Alberta Legislative building with one jump as Premier in Aug., 1921. The U.F.A. had swept the province, but was without a leader. Greenfield had the stuff. He was drafted.

Usually it takes a general election to remove an occupant of the premier's chair. Greenfield set a precedent which the then Prince of Wales and No. 1 Alberta Rancher later followed.

* * *

The fall of 1925, Albertans found their premier had abidicated. In Jan., 1927, he went to London as agent-general of the province.

There the Rancher-Prince paid him an official visit. Soon the Greenfield friends included many of the big business men of England.

In 1931, he returned to Alberta to enter private business. He is now president of the Anglo-Western Oils Ltd., controlled by British capital and holding petroleum rights on a large block of acreage in Alberta. He is also president and general manager of the British-Dominion Land Settlements Corporation of London, a land company operating extensively in Alberta.

Unlike many land companies this company commenced, as early as 1933, adjusting debts, privately with its debtors. Very few of its cases have come before debt adjustment boards. This was done before Social Credit days. "I did it because it was good business," Mr. Greenfield says.

Greenfield is also manager of Calmont Oils. For most people, it costs money to learn a new business. When he took over Calmont, the company treasury was not only empty, but it owed $150,000. The company now has this liability paid off and a profit of approximately $50,000 after writing off another $75,000 for depreciation and depletion.

Mr. Greenfield has the background of politics and of business; he knows the Britishers and their business methods. How about him telling London the Alberta oil story?

Spooner Makes Profit in 1938

Net of $13,156 Compares With Loss of $5,614 for Last Period

Net profit of $13,156 or 2 cents a share, is shown by annual report of Spooner Oils for the 14 months ended June 30, 1938, compared with a deficit of $5,614 the year previous.

Improved showing for the latest period is attributable to substantial revenue received from Model-Spooner No. 1 well, the Reward-Spooner-Model No. 2 well, and royalties. Of total revenue of $50,375 accruing during the period, $27,100 was due to the Model No. 1 well, and $5,912 to revenue from Model No. 2 well after May 21. Net revenue from Spooner No. 5 well was $1,923.

Unsettled conditions arising from large potential production are stated to have reacted to decrease earnings of the company.

Balance sheet as at June 30, 1938, shows total current assets of $67,692, including cash of $53,009 and accounts receivable of $9,680. Current liabilities were $16,362. A 4¼% interest in Turner Valley Royalties well is shown at $186 after write-offs, while a 7½% interest in Newfold Royalties No. 1 well is shown at cost of $15,500, although the well has not proved a commercial producer.

BOUNTY OPENS VEIN

A shear zone has been traced for 1,500 ft. on the property of Bounty Yellowknife Mining Syndicate Ltd., located in the northern section of the Yellowknife district. A vein with a width of 6 ft. has been traced for 600 ft. in the shearing and is stated to be heavily mineralized, appearing the same as the Walpole vein in which consistent values were reported.

McIntyre Earns $1.11 a Share

Compares With $1.15 in Previous Quarter of Fiscal Year

Net income of $884,086, equal to $1.11 a share, is shown by McIntyre Porcupine Mines for the three months ended Sept. 30, 1938. In the previous three months, first quarter of the fiscal year, earnings were $1.15 per share. Earnings of $2.25 for the first six months of the fiscal year compared with $2.20 for the same period last year.

Little change is shown in operating statistics from the previous quarter. Bullion production declined slightly to $2,121,458 from $2,168,358. Operating costs including development were slightly lower in the latest period.

Operating results are as follows:

Quarterly Earnings
Three Months Ended Sept. 30

	1938 $	1937 $
Gross income	2,121,458	2,147,655
Less: Oper. exps., incl. develop.	1,041,600	1,041,460
Approp. for taxes	157,557	163,653
Depreciation	38,215	39,296
Net income	884,086	903,246
Earnings per share	1.11	1.13

Waite to Decide On Mill in Nov.

Recent Drilling Adding New Tonnage to Ore Indicated

Recent drilling at Waite Amulet has given satisfactory results and has added substantially to previous estimates of ore tonnage, James Y. Murdoch told The Financial Post.

"Some weeks yet will be required to get a definite estimate of the tonnage and information as to the extent of the ore body. Then a decision as to the method of mining and the size of the plant required can be made.

"It is expected the board will meet some time in the latter half of November to determine the amount of additional finances required to construct a mill and how they are to be raised.

"When that decision is made there will be a full report on mine conditions forwarded to the shareholders."

LARDEGO

Anglo-Huronian is expected to carry out a programme of diamond drilling on the property of Lardego Gold Mines although a financing agreement has not yet been concluded between the two companies. Thayer Lindsley of Ventures is understood to be looking over the Lardego property with a view to joining Anglo-Huronian in the financing. Chief interest in the Lardego property lies in its location adjoining Omega Gold Mines.

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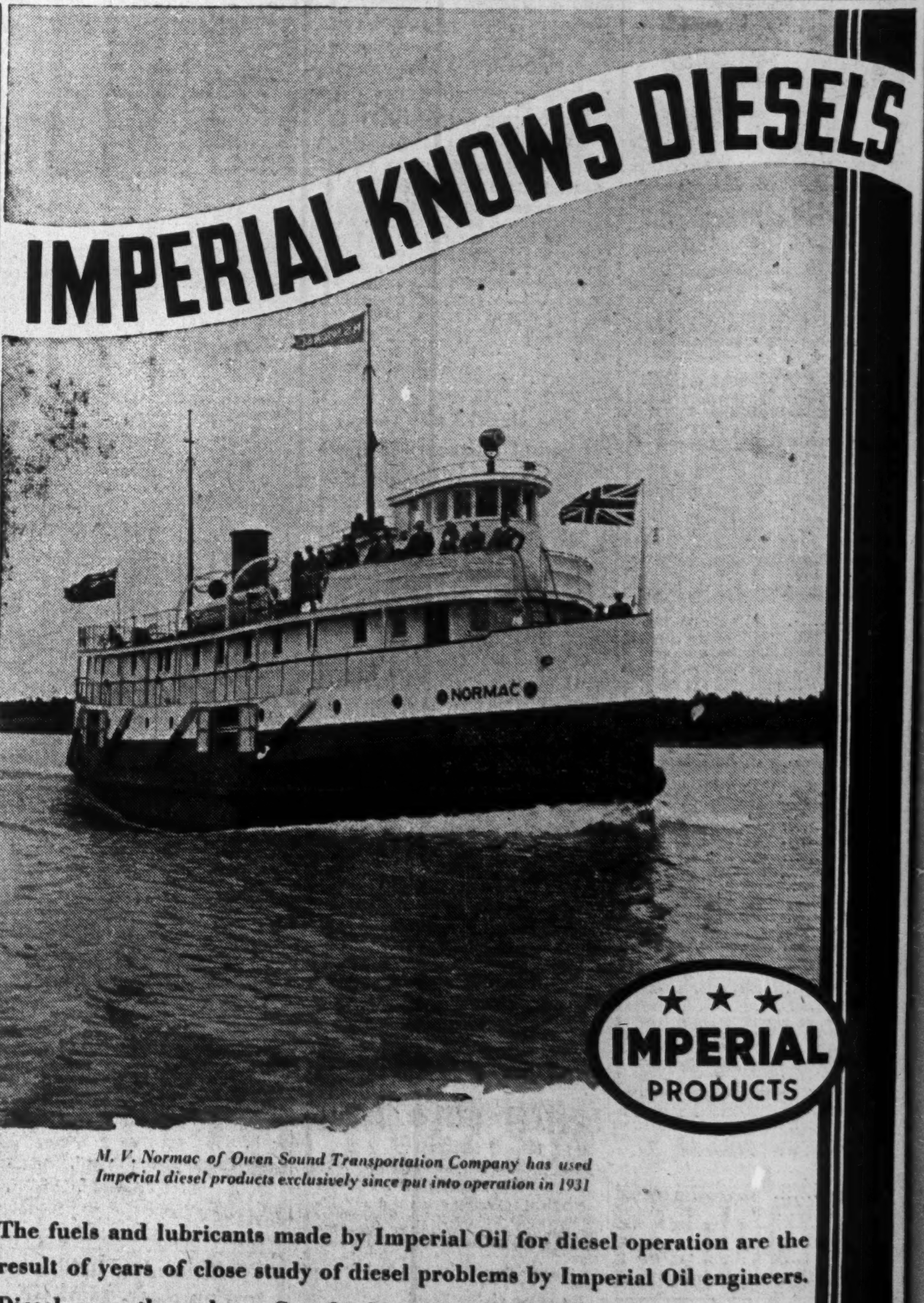


M. V. Normac of Owen Sound Transportation Company has used Imperial diesel products exclusively since put into operation in 1931

The fuels and lubricants made by Imperial Oil for diesel operation are the result of years of close study of diesel problems by Imperial Oil engineers. Diesel men throughout Canada know this. They have proved to their own satisfaction that Imperial diesel products are *made to do a real job.*

IMPERIAL OIL LIMITED

The Week in Oils

Benefits Widespread If Okalta 6 a Winner

Further Cut in Field Allowable Was Not as Much as Was Feared — More Drilling Permits Being Sought

From Our Own Correspondent

CALGARY.—Expert observers here now confidently predict that Okalta 6 will be a producer. That means that tens of thousands of acres will be added to the proven area of Turner Valley. A producer here will mean a width for the field of 2½ miles, compared with a former width of only 1½ miles.

If Home 2 well, now drilling far north, comes in, a whole new belt at least 16 miles long will be opened up, stretching down to Okalta 6 in the south.

Okalta 6 is now drilling over 203 feet in the lime formation at 9,940 feet. Heavy crude is being used for drilling fluid and this oil is continually thinning out. Reason for this change is attributed to light oil coming from the lime or producing area into the hole and mixing with the drilling fluid.

* * *

Says Nothing

W. S. Heron, president of Okalta, refuses to comment beyond saying that no water is coming in and that the public can draw its own conclusions as to why the drilling fluid is thinning.

Another important test well in the lime is Anglo Canadian No. 1, located in L.S.D. 16 of Section 18. This location is about a half mile west of the nearest producer. It is on the west bank of the Highwood River about due west of Coronation. The lime was encountered at 7,790 feet.

About 16 miles north of these wells, Home 2 is drilling below 7,350 feet. It is expected this well will contact the producing horizon at any time. Home 2 is considered equally important with Okalta 6, as it will prove up a large area in the north end of the field.

* * *

Others Profit

What are the companies with property located so as to benefit if Okalta 6 is a healthy producer?

Okalta 6 is located on the southern boundary of section 30, a section being approximately one square mile. To the north of section 30 is section 31, owned by Anglo-Canadian; to the south section 19, owned by Calgary and Edmonton with drilling rights let to Royal Canadian Oils and smaller rights to Scottish Canadian. To the west is section 25, owned by Calgary and Edmonton.

These are only a few of the many interests vitally concerned in the success of Okalta 6. A few others further southwest are Imperial Highwood Sarcee, Hargal, Davies Pete, Ellis, Northwest Co. and others.

* * *

Cut No Surprise

Oil men are not at all surprised by further reductions in the field's allowable daily production. Local markets consume less during the winter and a slowdown is good for the wells. Present demand is unofficially estimated around 17,000 barrels daily, but there is a large accumulation in storage. During January and February, 1938, field production was held down to 12,000 barrels per day.

* * *

Repressuring

Report of repressuring engineers has not yet been submitted to the Conservation Board. It was earlier known to be the opinion of some engineers that one repressuring unit for a group of about 10 wells would be practicable. About $88,000, it was estimated, would pay for one such unit capable of forcing back into the ground 10 million cubic feet of gas at 600 pounds pressure.

It is now believed there is a water drive underneath the Turner Valley field. Between the pressure of the water and the conserved gas pressures above, it is believed the consequent "squeezing" action will permit a high recovery.

* * *

Tries Again

First legal attempt of the A. H. Mayland companies to have the Gas Conservation Oct., 1938 declared ultra vires, has been dismissed. Certiorari proceedings were the plan adopted. The judge ruled this proceeding irregular. Plaintiffs are now proceeding with a regular court action.

* * *

More Drill Permits

The Conservation Board reports there are now three applications for drilling permits pending. It is unofficially stated that five more will be made shortly.

An official of the Alberta Petroleum Association estimates that more new development will commence within the next three wells than was started in the last four months. During the past week agents for several New York groups have been looking over the Turner Valley field. It is understood that, included among these parties, were representatives of the Shell Oil Co.

Recent visitors to Turner Valley included A. J. Nesbitt, president of many large Canadian mercantile, power, and mining companies. Mr. Nesbitt was most enthusiastic about Alberta oil possibilities.

Teck's Net is 33.4c in 1938

Formation of Subsidiary for Teck Mine Under Consideration

Net profit of $1,604,895 or 33.4 cents per share is shown by the annual report of Teck-Hughes Gold Mines for the year ended Aug. 31, 1938, agreeing closely with the preliminary statement released two weeks ago. Profit for previous year was 46 cents per share.

A special meeting of shareholders is to be held on Oct. 24, following the annual meeting, to consider passing a by-law for formation of a wholly-owned subsidiary to hold company's property in Teck township. Shareholders are also asked to authorize securing of supplementary letters patent broadening powers held by the company.

President D. L. H. Forbes states in the annual report that operations during the fiscal year were less profitable than in the previous year, but that the expectation for extending the life of the mine had been improved with the finding of new ore bodies at various horizons in the hanging wall area south of the main ore zone.

Success of Lamaque operations is evidenced by redemption of balance of $1,500,000 of Lamaque bonds at a profit of $450,000 to Teck-Hughes which had originally purchased the entire $2,000,000 bond issue at 70% of par.

New ore found by Teck-Hughes totalled 1,377 ft. or 20.3% of drifting. Of this, 415 ft. was in the main break and 962 ft. in hanging wall ore bodies.

Ore reserves as at Sept. 1, 1938, amounted to 610,895 tons averaging $12.16 per ton. This compared with 640,443 tons averaging $14.16 per ton at the end of the previous fiscal period.

During the year 111 properties were submitted for examination resulting in options being taken on two in Quebec where diamond drilling was carried out. The options were allowed to lapse when indications were not extended.

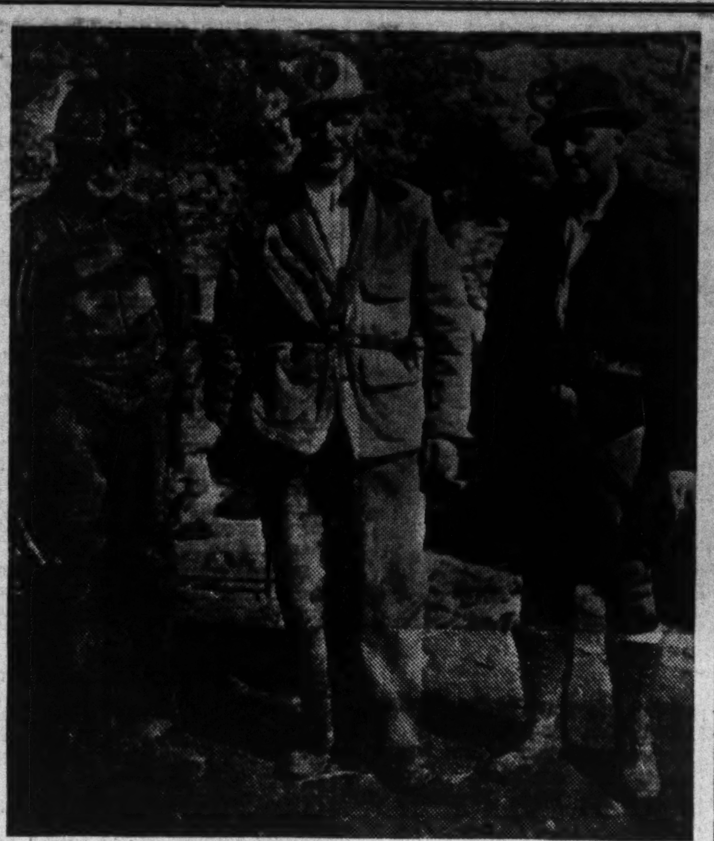
Balance sheet at Aug. 31, 1938, showed total current assets of $4,613,173 including cash of $680,987, bullion of $180,063 and Dominion of Canada bonds at market value of $3,726,923. Investment in 2,124,000 shares of Lamaque Gold Mines was carried at cost of $530,999. Current liabilities of $1,151,577 included dividend payable of $721,072 and provision for taxes of $287,312.

Income and Surplus Account
Years Ended Aug. 31

	1938 $	1937 $
Bullion production ...	3,930,535	4,570,855
Less oper. exps.:		
Devel. & explor. ...	1,448,078	105,098
Mining		1,227,379
Milling	396,046	422,642
General expense ...	271,482	294,752
Taxes	268,112	387,258
Exam. new props. ..	14,444	35,212
Operating earnings ..	1,532,373	2,098,514
Add non-oper. income:		
Inc., gen. invs.	16,186	13,182
Int., Lamaque bonds	56,336	91,695
Net profit	1,604,895	2,203,391
Less: Dividends	2,163,214	2,403,572
Deficit for year	558,319	200,181
Less: Prev. surplus ..	3,932,533	3,982,714
Prof. on Lam. bonds	450,000	150,000
Prof. on secs.	19,841	......
Salv., plant & equip.	20,000	......
Surplus forward	3,864,055	3,932,533
Earnings per Share & Dividend Record:		
Earned	$0.334	$0.46
Paid	0.40+0.05	0.40+0.10

Bulolo Gold Dredging reports September production of 10,537 oz. of fine gold, compared with 16,209 oz. in August and 12,838 oz. in September last year. Estimated working profit last month totalled 7,300 fine oz., equivalent to $255,500 in Canadian funds, with gold at $35 an ounce. In August, working profit was $402,780; in September, 1937, $300,755. Production last month was from 1,138,000 cubic yards of gravel as against 1,249,000 cubic yards in the previous month, and 893,600 cubic yards in September a year ago. The company states throughout the month No. 2 dredge was digging in very low value ground.

Hollinger Consolidated has declared an extra dividend of five cents per share payable with the regular four-weekly dividend on Nov. 4, 1938, to shareholders of record Oct. 21.



AMONG THE VISITORS TO THE NORTHLAND

Already shown rich with mineral ore, Canada's northland—bigger than the whole of Europe—has this summer attracted an increasing number of visitors. Photo shows John A. MacAuley, K.C., of Winnipeg (left) at the Eldorado property with Emil Walli, mine manager, and Gilbert Labine, president and discoverer.

News Concentrates

Augite Porcupine is stated to have established continuity of the ore zone to 1,000 ft. by a drill hole from the 750-ft. level. Two sections are reported cut with 13 ft. running $3.97 per ton and 4.5 ft. running $9.45 per ton. Shaft is down 840 ft. with objective of 1,000 ft.

* * *

Armont Gold Mines is carrying on surface exploration at its property in the east Porcupine area. It is expected drilling will be commenced in about three weeks' time.

* * *

Bayonne September production was $26,200 compared with August output of $30,040.

* * *

Bankfield Consolidated produced $54,474 from 4,120 tons of ore in September, an average recovery of $13.22 per ton. August output was $56,187 from 4,043 tons, an average of $13.89 per ton.

* * *

Chesterville is proving ore in its "A" ore zone. A flat drill hole at the west end of the zone at the first level shows a 20-ft. width averaging $18.90 uncut and $17.50 cut. At the 2nd level, a length of 175 ft. is indicated averaging $9.27 uncut or $8.93 cut across 29 ft. 4 inches. Three small shoots have been outlined to the south in this area. Exploration of three ore bodies parallel to "A" ore zone is now under way.

* * *

Dentonia Mines had a loss of $25,942 for year ending Mar. 31, 1938, and loss of $11,742 in five months ended Aug. 31, 1938. As at Aug. 31, 1938, bonds and stocks carried at $73,667 had a market value of $53,488. A payment has been made to option Gold Peak No. 4 group of claims in the Zeballos area where work is under way.

* * *

Faymar Porcupine is stated to have cut its ore zone in the 225-ft. level crosscut. Assays are not yet available.

* * *

Gunnar Gold Mines produced $48,740 in September from 4,401 tons of ore milled, an average recovery of $11.08 per ton. In August, output was $52,466 from 4,525 tons, an average of $11.59 per ton. A new vein is stated to have been cut 26 ft. north of the No. 6 vein at the 1,250-ft. level.

* * *

Golden Gate produced $26,410 from 1,529 tons of ore in September, an average recovery of $17.27 per ton. There was a shut-down of one day during the month. August output was $29,854 from 1,578 tons, an average of $18.92 per ton. Operating costs are estimated at $15,000 monthly.

* * *

Graymar Yellowknife Syndicate reports values of from 70 cents to $56.70 per ton obtained in check sampling completed on their property. Meeting has been called for Oct. 31, to approve turning syndicate into a 3,000,000-share company.

* * *

Kirkland Lake Gold has declared a bonus of two cents per share payable Dec. 1, 1938, to shareholders of record Oct. 31 together with regular semi-annual dividend of four cents.

* * *

Kewagama Gold Mines (Quebec) has called a special meeting of shareholders for Oct. 24, 1938, to secure approval for an offering of rights to shareholders on basis of one share at 10 cents for each eight shares held on Oct. 24. Purchase of shares at 10 cents will carry rights to purchase an equal number of shares at 25 cents, to Jan. 2, 1939.

* * *

Lake Shore Mines production for three months ended Sept. 30, 1938, amounted to $3,957,056 from 222,868 tons of ore milled, an average recovery of $17.76 per ton. In previous quarter production was $3,870,356 from 236,413 tons, an average of $16.37 per ton.

* * *

Leitch Gold Mines has declared an initial dividend of two cents per share payable Nov. 15, 1938 to shareholders of record Oct. 31. Production for September was a new high at $62,749 from 2,611 tons of ore milled, an average recovery of $24.03 per ton. Development of four new levels is giving good results. No. 4 vein has been opened on bottom or 1,025-ft. level for 65 ft. with an uncut average of $160 per ton across 13.5 inches.

* * *

McWatters produced $95,615 from 9,818 tons of ore in three months ended Sept. 30, 1938, an average recovery of $9.84 per ton. This compared with production of $102,871 in the previous three months from 9,484 tons, an average of $10.84 per ton.

Pirate Gold Mines is planning work on its own property and on the adjoining Kingston and Shinintree properties held under option. First work is planned on the Kingston or central property.

* * *

Preston East Dome ore shipments in September were worth approximately $72,000 and comprised 78 tons of high-grade from the 550-ft. level. August shipments were valued at $89,592. A flat drill hole to explore the footwall ore zone from fourth level crosscut intersected 3½ ft. assaying $7.35 and 5 ft. running $142.10.

* * *

Ritchie Gold Mines shares have been removed from trading on Toronto Stock Exchange as company is surrendering charter and plans to distribute assets. Chief holding is 1,000,000 shares of Ritoria Gold Mines equal to about one Ritoria share for each 3½ Ritchie shares.

* * *

Rhyolite Rouyn has let contract to have deep hole deepened from 850 to 1,300 ft. where contact is expected to be encountered. Shallow drilling is being continued with company's equipment.

* * *

Sundance Royalties is making a payment on Oct. 27 to shareholders of record Oct. 20. The distribution is stated to comprise a partial repayment of amounts borrowed for drilling and is not a dividend.

* * *

Thompson Cadillac is stated to have encountered a new showing in its north crosscut in western section at the first level. Visible gold is showing with car samples from the first round running $14.70 and $21 per ton.

* * *

Teck-Hughes Exploration Co. is stated to have completed a survey of its optioned property in Desserat twp., Que. It is expected surface exploration will be carried out.

* * *

Upper Canada is expected to commence treatment of ore at leased mill of Morris Kirkland during October. Lease runs for six months; it is expected Upper Canada's 250-ton mill will be ready for operation by that time.

Beattie Showing Improved Results

Operating Profit Amounts to $274,336 for Third Quarter

Estimated operating profit of $274,336 is reported by Beattie Gold Mines for the three months ended Sept. 30, 1938, compared with $177,622 in the same period of 1937 and $274,160 in the second quarter of 1938. The estimates in each case are before taxes, depreciation or deferred development.

The marked difference between estimated net profit for 1938 third quarter and that of 1937 is chiefly due to reduction in marketing expense, together with slightly higher extraction. Ore grade was practically identical. Marketing costs in 1937 were $109,878 while the corresponding figure for 1938 was $8,773. There was added expense at the mine due to the roasting operation.

Operating results are as follows:

Quarterly Earnings
Three Months Ended Sept. 30

	1938 $	1937 $
Net inc. from prod. ..	602,084	477,349
Less: Devel. & oper. exps.	327,748	299,727
Est. profit*	274,336	177,622
Tons of ore milled ...	151,700	154,330

*Before taxes, depreciation or deferred development.

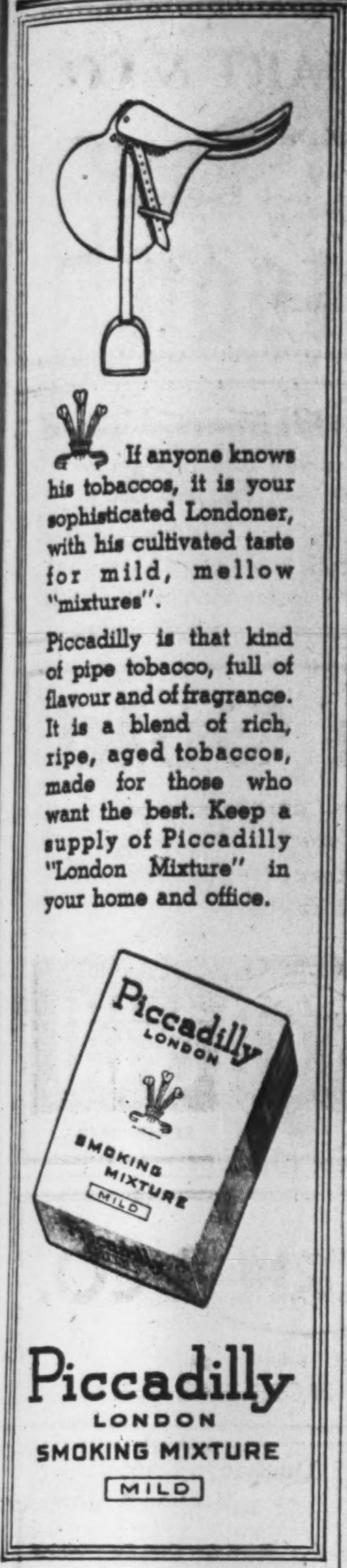
ft. assaying $7.35 and 5 ft. running $142.10.

* * *

Lebel Oro Gold plans to break down sufficient ore from the sides of the glory hole to run its milling plant all winter. Production for September was valued at $21,000, about $800 in excess of August. Reports of a new surface find are not confirmed by officials.

* * *

Denison Nickel Mines is opening two new levels, at 650 and 800 ft., after suspending shaft sinking operations at 880 ft. Current work consists of crosscutting to the ore zone from the 650-ft. level, and drilling is proceeding from the 800-ft. level station. After these two levels are opened up, it is the intention to comcomplete the three-compartment shaft to the 1,000-ft. horizon. Management expects that early next year sufficient knowledge of the ore picture may have been obtained to make some mill decision.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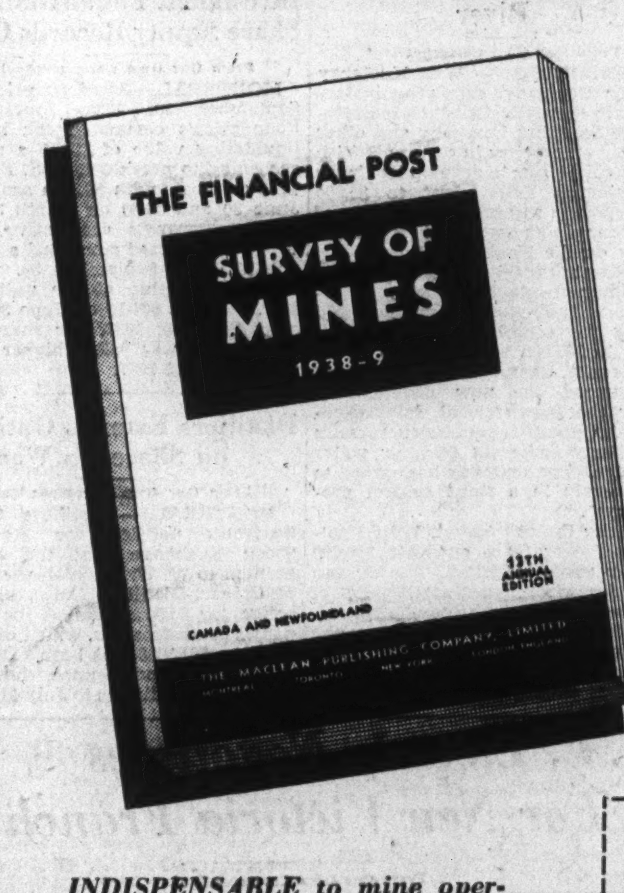
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NEW STUDEBAKER

Further streamlining features the new 1939 Studebakers. Windshields slope sharply to the curved top flowing down in unbroken lines over rear end trunk. Head and tail lamps are set flush with fenders. Major advances this year are a new type of overdrive, new heating and air-conditioning systems, and gear shifting mechanism on the steering column as standard equipment. Shift to gas and oil saving overdrive is made by simply pressing accelerator all the way down to the floorboard. Hill-holder, non-slamming door latches and other recent improvements are continued. Above is shown the State President club sedan.

Higher Profits For Coniaurum

Estimated total profit of $151,473 is reported by Coniaurum Mines for the three months ended Sept. 30, 1938, before allowance for taxes, depreciation or deferred development. This compares with estimated profit of $144,635 for the previous three months' period and $84,316 for the same period of 1937.

The improved result is attributed to a somewhat greater tonnage treated, a better grade of ore milled and to lower costs. The lower costs were due to the fact that no high cost development such as winzing or shaft sinking was in progress during the period Operating results are as follows:

Quarterly Earnings
Three Months Ended Sept. 30

	1938	1937
	$	$
Net inc. from prod. ..	417,559	359,265
Less: Devel. & oper. exps.	273,177	293,514
Est. oper. profit	144,382	65,751
Add: Non-oper. inc. ..	7,091	18,565
Est. total profit*	151,473	84,316
Tons of ore milled	47,180	43,155

*Before taxes, depreciation or deferred development.

Malartic Gold Fields Reports Drilling Results

From Our Own Correspondent

MONTREAL. — Malartic Gold Fields report that drilling to the east of ore body No. 7 shows the mineralized zone continues with low values in holes 88 and 89. In hole 91, three feet assaying $6.65 was encountered indicating the beginning of another ore zone. Drill Hole No. 90, according to a progress report issued by the company, was of interesting values for almost 500 feet. The best section of 31 feet assaying $8.40 is 325 feet directly above a section of 28 feet assaying $11.55 in hole No. 80. These two holes indicate that the No. 7 ore zone continues from surface to 500 feet, and "this, coupled with its length of 2,020 feet with an average width of ten feet and grade of $10.60, makes an impressive picture."

Canada Northern Analyses Advance

Additional Mine Equipment Adds to Power Load

From Our Own Correspondent

MONTREAL.—Higher power sales of Canada Northern Power Corp. during the past 12 months has been due mainly to the addition of considerable new equipment to many of the mines served, mainly in the form of mill extensions, according to a report issued to the shareholders by B. T. Harrison, vice-president and general manager.

"Excellent progress has been made," he says, "on the construction of auxiliary trunk transmission line between Noranda and Blouin Lake, which when completed will considerably improve service by reducing the possibility of interruptions to a minimum.

Add Town to System

"Arrangements are being made to furnish domestic and commercial service to the new town of Cadillac in Northern Quebec.

"Plans also have reached an advanced stage for the installation of a distribution substation in Malartic Township to accommodate the growing load of the mines in that camp.

"A new subdivision has been opened up on the outskirts of the town of Noranda which together with the installation of a foundry and machine shop at that point by Wabi Iron Works will add considerably to the company's load at that town."

West Kootenay Plans Expansion

Further Power to be Generated on Kootenay River

From Our Own Correspondent

VANCOUVER. — West Kootenay Power Company, supplying hydro-electric energy to Consolidated Mining & Smelting Company and other mining enterprises in eastern British Columbia, plans to develop its Upper Bonnington Falls plant to 82,000 horsepower, making it the largest of the four plants operated by the company on the Kootenay River.

Present capacity of the Upper Bonnington plant is 32,000 horsepower. Increasing the power will bring the combined power of the four to 260,000 horsepower.

Lorne A. Campbell, vice-president, announced the new development after the International Joint Commission granted permission to raise Kootenay Lake six feet for water storage. The company has agreed to co-operate in a flood control programme.

Under the agreement, West Kootenay Power is to excavate 250,000 cubic yards of sand, gravel and boulders from the north side of Groham Narrows below Nelson.

Additional power will improve the company's position to supply Consolidated and will enable more continuous employment.

Seek to Establish New B. B. Bureau

Vancouver Committee Solicits Subscriptions for Budget

Efforts are now under way at Vancouver to extend the benefits of the Better Business Bureau movement to the Pacific coast. Of the 55 Better Business Bureaus now operating on this continent, five are the independent though co-operating units at Montreal, Toronto, Ottawa, Hull, Winnipeg and Halifax.

Although the move to establish a bureau at Vancouver is still in the formative stage, a committee office has been established in the Hall Building and subscriptions are being solicited. Under present plans, no effort will be made to launch actual operation of the Bureau until subscriptions permitting a minimum annual budget of $10,000 have been received.

The drive for financial support was somewhat slowed down by the European war crisis and by other campaigns for funds for community activities. With resumption of more normal business operations, it is hoped that organization of the Bureau will proceed at a better pace.

Service Clubs Sponsors

The campaign for the Bureau is sponsored by the Rotary Club, Kiwanis Club, and other service and business organizations in Vancouver. The move has been given the endorsation of the Vancouver Board of Trade, which for many years has maintained a sales and advertising bureau which was the only fraud prevention body in the city.

The organization committee consists of Charles T. Hamilton, chairman; A. L. McIntosh, Frank E. Hall, Gordon S. Selman, and H. Brock Smith. Active in the campaign has been R. H. Neilson, former manager of the Montreal Better Business Bureau, who has been mentioned as the probable executive head of the new Bureau if it is formed.

Richgreen Gold Mines Lets Drilling Contract

A contract for 5,000 ft. of diamond drilling has been let by Richgreen Gold Mines for its property in the Beardmore area of Ontario. Drilling is expected to commence not later than Oct. 18.

Plans contemplate drilling of three distinct veins. Operations will be carried out under direction of the company's consulting engineer and geologist, Constant Godefroy, who will be in charge.

The 5,000 ft. of drilling called for by the drill contract is a minimum and an option is held on a larger quantity if this should prove desirable. Officials state that the company's finances are in good shape.

Investment Foundation Share Equity Records Gain

From Our Own Correspondent

MONTREAL.—Based on prices at September 30, 1938, Investment Foundation's common stock had a liquidating value of $10.45 a share, according to president, A. S. Fraser. This contrasts with $9.86 a share on June 30 and $3.80 on March 31.

The company's cumulative convertible preferred stock had a value of $54.25 on September 30, while liquidating value of the unit was $64.70 against $64.11 on June 30.

At Sept. 30, 1938, per share net asset value was 9.63% higher than at the end of 1937.

Distillers Extends Option on Shares to Wachtel

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams notified the Montreal Stock Exchange that the option granted to W. W. Wachtel, president of Calvert-Distillers Corp., to subscribe for 5,000 shares of the company's common stock, which expired on June 30, 1938, has been extended at the same price upon the same terms and conditions to July 31, 1940.

B. C. Electric Negotiates For New Victoria Franchise

From Our Own Correspondent

VANCOUVER. — B. C. Electric Railway Company's 50-year exclusive franchise for supplying light and power and street car service in Victoria will expire Dec. 5. The railway, whose parent company is B. C. Power Corp., has informed the city that it intends to abandon the street car service. It is willing to operate a bus service until other arrangements may be made.

B. C. Electric has offered to install a motor bus service similar to that established in New Westminster about a year ago when street car tracks were torn up. The company proposes a six-cent fare for the first two years to be revised at the end of that time, if the company is not making a 5% return on its investment. If it makes more than 5%, the city would receive a rebate of half the excess.

The city is urging the company to establish lower rates for power and light, claiming the level should be the same as in Vancouver. Basic rates in Victoria now are 6 cents per kilowatt hour for the initial consumption and two cents after that. The Vancouver rate is five and one cent.

Resins Company Doubles Plant Size

Addition Will Enable Operator to Increase Number of Products

From Our Own Correspondent

MONTREAL.—Shawinigan Resins Corp., Springfield, Mass., jointly owned by Shawinigan Chemicals Ltd. and Fiberoid Corp., is planning additions to its plant and equipment that will result in production being more than doubled and also enable the corporation to increase the number of its lines.

This company was formed a year ago to take care of the prospective demand for its line of vinyl acetate resins, a group of plastics developed for the production of stronger safety glass and related products.

Present intentions are to increase the plant's output from its present two tons of resins to approximately five tons per day.

The basic patents are owned by Shawinigan Chemicals Ltd. and under license the Du Pont interests are now manufacturing these resin products. When current expansion plans are completed, Shawinigan Resins will be producing ten to twelve thousand pounds per day, or sufficient resin to fabricate about 50 million square feet of safety glass and plastic per year. This represents about half the current requirements of glass manufactured. The balance of the demand is being taken care of by Du Pont and other manufacturers.

Aluminium Ltd. Calls $3 Millions of Debentures

From Our Own Correspondent

MONTREAL. — Aluminium Ltd. has called for redemption on January 1 next, $3 principal amount of 5% sinking fund debenture gold bonds due July 1, 1948.

The original issue made July 1, 1928, was for $20 millions principal amount. The amount presently outstanding is $8,188,000. After this new voluntary redemption, there will remain issued $5,188,000 of the original amount of the bonds.

Bonds to be redeemed will be drawn by lot by the trustee and proper legal notice will be given.

Mining Options

The following information on options has been supplied by the Ontario Securities Commission, the Toronto Stock Exchange and the Montreal Curb Market:

Anoki Gold Mines—On Sept. 30, C. D. H. MacAlpine purchased 250,000 shares at 15c., payable $18,750 forthwith and $18,750 by Nov. 1. In addition 250,000 shares underwritten at 20c., payable $20,000 by Dec. 1, 1938, and payments of $10,000 each on Jan., Feb. and Mar. 1, 1939. An option is granted on 1,000,000 shares at 25 to 50c. payable by Apr. 1, 1941. Company incorporated Sept., 1938; authorized capital 3,500,000 shares with 1,125,005 issued.

Hutchison Lake Gold Mines—On Sept. 2, Alfred L. Kemp optioned 550,000 shares at 10c. per share, less a 25% commission, payable within 30 days. Company incorporated June, 1935; authorized capital 3,000,000 shares with 2,446,305 issued.

MacGregor Porcupine Gold Mines—On Oct. 5, J. N. S. Dixon, purchased 100,000 shares at 5c. payable forthwith, and received option on 1,900,000 shares comprising 400,000 shares at 5c., 500,000 shares at 7c. and balance at 10 to 30c., payable $2,500 within 60 days and $2,500 each 30 days thereafter for four consecutive payments and balance at increasing monthly payments expiring 28 months from date. Company incorporated Oct., 1938; authorized capital 4,000,000 shares with 1,100,005 shares issued.

Twindyke Mines—On Oct. 1, Jas. Travis Co., Ltd., purchased 257,000 shares at 5c., payable forthwith and 243,000 shares at 5c., payable $500 on Oct. 15, and thereafter $1,000 a month until June 13, 1939, with balance by Sept. 15, 1939. An option is granted on 500,000 shares comprising 250,000 shares at 7½c. and 250,000 shares at 10c., payable 50,000 shares a month commencing Oct. 15, 1939. Company incorporated Sept., 1938; authorized capital is 3,000,000 shares with 1,257,005 issued.

Chesterville Larder Lake — A block of 200,000 shares (part of 670,900 shares optioned at $1.12½ to Collins and McKinnon) have been underwritten at $1.12½ a share, of which half are to be taken up by Oct. 25 and balance by Dec. 24. Option on remaining 470,900 shares may be exercised as follows: As to 154,000 shares, one third within six weeks of receiving notice from company's consulting geologist that the money is required, one third within 45 days of exercising the first block, and one third within 90 days of exercising the first block; as to balance of 316,400 shares, from time to time in such blocks as may be demanded by company on report of its consulting geologist.

Thompson-Cadillac Mining Corp.—Federal Trading and Agency Co. has taken up and paid for 36,000 shares of stock, representing part of 41,000 shares optioned at 22½c. in accordance with agreement dated Sept. 15, 1938. There remain 105,000 shares under option. Issued capital is 3,495,000 shares.

Stadacona Rouyn Mines — Option between R. P. Pattee and associates and John W. Noble has been extended 30 days from Oct. 13, 1938. Balance of option on 275,000 shares to John W. Noble, contingent upon payment of Oct. 13, by R. P. Pattee and associates for 250,000 shares, has also been extended.

Aldermac Copper Corp.—Since May 13, 105,540 underwritten shares have been taken up at 60c. per share. A balance of 730,285 shares remain underwritten at the same price. Authorized capital is 6,000,000 shares with 4,969,396 shares outstanding.

Fernland Gold Mines—On Oct. 5, Consolidated Mining and Smelting Co., underwrote 133,333 shares at 15c., $10,000 of which has been paid with $10,000 due Nov. 15. An option has been granted on 966,662 shares comprising 66,667 at 15c., 200,000 shares at 20c., 200,000 shares at 25c., 200,000 shares at 30c. and 299,995 shares at 40c. Option is exercisable $6,250 by the 15th of each month commencing Dec. 15 with a provision that each monthly installment becomes an underwriting unless notice is given by optionee by the 15th of the previous month that such installment will not be taken up.

Lapa Cadillac Gold Mines—Balance of Oct. 18 installment comprising an underwriting on 12,815 shares at 40c. has been taken up by Sudbury Contact Mines under agreement of Aug. 19. Next installment is payable by Oct. 30 and comprises an underwriting on 108,250 shares at 40c. per share. Issued capital is 3,657,375 shares.

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Halifax Cargo Traffic Along Last Year's Level

From Our Own Correspondent

MONTREAL. — Traffic handled through the port of Halifax during September was on approximately the same basis as a year ago. Inward movement totalled 84,889 tons and outward 77,999 tons for a total of 162,888 tons. For the same month last year the inward cargo amounted to 90,344 and outward 74,061, for an aggregate of 164,405 tons.

Cumulative returns for the first nine months of this year show tonnage of 1,501,517, as against 1,736,521 for the same period in 1937. The inward movement was off from 976,763 tons to 829,368 tons, while the export movement also declined, dropping from 779,758 to 672,149 tons.

Steel of Canada Awarded Small Munition Order

From Our Own Correspondent

MONTREAL.—Steel Co. of Canada has been awarded a $15,000 contract for the supply of 10,000 steel billets for the manufacture of shells, according to an official announcement by the Department of National Defence.

Quebec to Establish Mothers' Allowances

From Our Own Correspondent

MONTREAL.—Social services on a par with those in other provinces are gradually being established in Quebec.

Old-age pensions were never paid in this province until the Duplessis administration came into power. In the past there have been no mothers' allowances as in other provinces, but they are now to be established. Payments will probably start from Dec. 15.

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Reductions in telephone rates—local and long distance — in 1935, '36 and '37 have effected savings to telephone users in Ontario and Quebec of nearly one million dollars yearly.